

COURT FILE NUMBER 2601-01970

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT / PLAINTIFF INVICO LENDING STRATEGIES LP, by its general partner, INVICO LENDING STRATEGIES GP INC.

RESPONDENT / DEFENDANT HALO EXPLORATION LTD.

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **OSLER, HOSKIN & HARCOURT LLP**
Barristers & Solicitors
Brookfield Place, Suite 2700
226 6 Ave SW
Calgary, AB T2P 1N2
Attention: Randal Van de Mosselaer / Stephen Kroeger
Telephone: 403-260-7060 / 403-355-7454
Fax: (403) 260-7024
Email: rvandemosselaer@osler.com / skroeger@osler.com
Matter No. 1279422

**AFFIDAVIT OF NICHOLAS HEFFERNAN
SWORN FEBRUARY 9TH, 2026**

I, **NICHOLAS HEFFERNAN**, of the City of Calgary, in the Province of Alberta, **SWEAR AND SAY THAT:**

1. I am the Executive Vice-President, Corporate Development of Northbase Finance Inc. ("**Northbase**"). I have been the Executive Vice-President of Northbase since December 2024 and a Vice President of Northbase from September 2020 to December 2024. As such, I have personal knowledge of the matters to which I depose in this Affidavit, except where stated to be based on information and belief, in which case I believe such information to be true.
2. I am authorized to swear this Affidavit on behalf of Northbase.
3. In preparing this Affidavit I have reviewed the Affidavit of Adam Jenkins sworn January 30, 2026 (the "**Jenkins Affidavit**") and the Supplemental Affidavit of Adam Jenkins sworn February 4, 2026 (the "**Supplemental Affidavit**"). Capitalized terms not otherwise defined

herein have the meaning given to them in the Jenkins Affidavit or the Supplemental Affidavit, as applicable.

4. I have reviewed Northbase's business records respecting Halo Exploration Ltd. ("**Halo**") herein in respect of the matters at issue, which I verily believe were made in the ordinary and usual course of business. Where I do not have personal knowledge of all of the matters deposed to herein to the extent I do not have personal knowledge my knowledge is derived from my review of the business records of Northbase.
5. I swear this Affidavit in response to the application of Invico Lending Strategies LP, by its general partner, Invico Lending Strategies GP Inc. (collectively, "**Invico**") seeking, amongst other things:
 - (a) a receivership order (the "**Receivership Order**") appointing FTI Consulting Canada Inc. as receiver and manager of Halo and all of its current and future assets, undertaking, and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"); and
 - (b) a sale approval order approving and authorizing the sale and investment solicitation process ("**SISP**") for all, or substantially all, of the Property and business of Halo.
6. This Affidavit, amongst other things: (a) outlines the business relationship between Northbase and Halo; (b) corrects the Jenkins Affidavit with respect to Northbase's secured position related to the Assets (as defined below); (c) outlines Halo's financial obligations to Northbase under the Leases (as defined below); and (d) outlines certain communications between counsel to Northbase, counsel to Invico, the proposed receiver and counsel to the proposed receiver.

The Parties

7. Northbase is a corporation incorporated pursuant to the laws of Alberta with its registered office in Calgary, Alberta. On October 1, 2025 Northbase amalgamated with Norden Finance Inc. ("**Norden**") and post-amalgamation carries on business as Northbase. Prior to

the amalgamation, Norden was a subsidiary of Northbase. Attached hereto as **Exhibit “A”** is a copy of a corporate search for Northbase.

8. Northbase provides structured capital solutions for essential-use equipment, specializing in secured leases and asset sale-leasebacks for equipment-heavy businesses across Canada and the USA.
9. Halo is a corporation incorporated pursuant to the laws of Alberta with its registered office in Calgary, Alberta. Halo is a privately held junior exploration and production company with operations in the Greater Kaybob area of Alberta. Attached hereto as **Exhibit “B”** is a copy of a corporate search for Halo.
10. Invico is a lender to Halo pursuant to certain agreements, details of which are more particularly set out in the Jenkins Affidavit.

Relationship between Northbase and Halo

11. Northbase is a major stakeholder in Halo and in the proposed receivership proceedings. In particular, Norden (now Northbase), as lessor, and Halo, as lessee, are party to three asset lease agreements (collectively, the **“Leases”**). Key terms of the Leases include the following, amongst other things:

	Asset Lease Agreement No. NB-2202	Asset Lease Agreement No. NB-2209	Asset Lease Agreement No. NB-2211
Date	March 21, 2022	June 28, 2022	August 9, 2022
Term	10 Years	10 Years	10 Years
Lease Funding Amount	\$6,000,000	\$551,816	\$471,214
Monthly Fee	\$87,826	\$8,077	\$6,897
Interest Rate	12.50%	12.50%	12.50%

12. Copies of the Leases are attached hereto in chronological order as **Exhibits “C”** (with appraised values redacted), **“D”**, and **“E”** respectively.

13. The assets secured by the Leases (the “**Assets**”) are set out in detail at Schedule “A” to each of the Leases. The Assets are essential for Halo’s continued operations as the Assets comprise the majority of Halo’s infrastructure capacity. As of March 2025, being the date of the most recently received asset inventory from Halo, the aggregate value of the Assets represents approximately fifty-four percent (54%) of Halo's total surface equipment in-place value, classified as personal property.

Northbase’s First in Time Security Registration over the Assets

14. At paragraph 8 of the Jenkins Affidavit, Mr. Jenkins states that, “Invico is Halo’s lender, holding a fixed and floating security interest registered in first position over all of Halo’s assets...” If Mr. Jenkins is suggesting that Invico is the first position secured creditor over all of Halo’s assets, this is demonstrably incorrect.
15. Attached hereto as **Exhibit “F”** is a copy of the Alberta Personal Property Registry (“**PPR**”) search for Halo (the “**PPR Search**”).
16. A summary of the PPR Search setting out the timing and certain details of Northbase and Invico’s security registrations is as follows:

Secured Party	Date	Notes
Northbase Finance Inc. and Norden Finance Inc.	March 21, 2022	Relates to Asset Lease Agreement No. NB-2202. Assets subject to the registration can be found at pages 5 to 8 of the PPR Search
Northbase Finance Inc. and Norden Finance Inc.	June 29, 2022	Relates to Asset Lease Agreement No. NB-2209. Assets subject to the registration can be found at page 10 of the PPR Search
Northbase Finance Inc. and Norden Finance Inc.	August 12, 2022	Relates to Asset Lease Agreement No. NB-2211. Assets subject to the registration can be found at page 12 of the PPR Search
Invico Lending Strategies LP and Invico Lending Strategies GP Inc.	October 7, 2022	Collateral: All present and after-acquired personal property of the debtor. Proceeds: all goods documents of title, chattel paper, instruments, money, investment property and intangibles

Invico Lending Strategies LP and Invico Lending Strategies GP Inc.	October 7, 2022	Land Charge
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17. The PPR search attached as Exhibit “K” to the Jenkins Affidavit confirms the relative priorities set out above.
18. As set out above, Northbase amalgamated with Norden on October 1, 2025. Prior to the amalgamation, Norden was listed as the secured party; however, on October 3, 2025 Northbase amended its PPR registrations against Halo to reflect the post-amalgamation name change.
19. Invico and Northbase are not parties to any subordination agreement and/or inter-creditor agreement related to the Assets and their respective secured positions and/or any other agreement related to Halo.
20. Accordingly, contrary to Mr. Jenkins’ statement set out at paragraph 8 of the Jenkins Affidavit, Northbase’s PPR registrations with respect to the Assets are in first position relative to Invico.

Indebtedness

21. As at February 1, 2026 Halo was current on its obligations owing to Northbase under the Leases.
22. Pursuant to the Leases, on the first of each month Halo is required to pay to Northbase the total amount of \$107,940 (inclusive of GST) subject to the expiry of the Leases which expiry dates are March 1, 2032, June 1, 2032 and August 1, 2032 . The cash flow forecast appended as Exhibit “2” to the Supplemental Affidavit indicates that on March 1, 2026 Halo has a debt repayment obligation of \$107,940; the monthly amount owing under the Leases. However, the cash flow forecast does not extend past March 29, 2026 and, should the Receivership Order be granted, Northbase has no information as to whether Halo will have sufficient liquidity to fund its obligations under the Leases during the currency of its proposed receivership proceedings absent significant borrowings by the proposed receiver.

23. Further, I advised by legal counsel, and do verily believe that, should the Receivership Order be granted, the remaining amounts owing under the Leases by Halo to Northbase will immediately become due and payable. As at February 6, 2026 the total amount remaining under the Leases totals \$5,264,089 (plus any applicable fees, expenses and costs), broken down as: (a) Lease No. NB-2202 - \$4,474,357; (b) Lease No. NB-2209 - \$422,643; and (c) Lease No. NB-2211 - \$367,089.
24. Northbase was first made aware of the immediate Application when it received an email from counsel to Invico on February 2, 2026. Given its position as first priority secured creditor over the Assets, and the significant outstanding indebtedness owing under the Leases, Northbase does not believe that the proposed Receiver's Charge and Receiver's Borrowings Charge (each as defined in the draft form of Receivership Order appended as Schedule "B" to the Invico Application) should receive a priority over the Assets.

Communications with Invico and the Proposed Receiver and its Legal Counsel

25. Northbase received the Supplemental Affidavit on February 4, 2026. The following day, Northbase's counsel sent an email to counsel to Invico, the proposed receiver and counsel to the proposed receiver responding to various issues related to the application materials for the within application. In particular, the email advised those parties of, amongst other things:
 - (a) the incorrect statement at paragraph 8 of the Jenkins Affidavit;
 - (b) advised the parties that Northbase is considering its position with respect to having the Assets included in the SISP and is concerned with the proposed Receiver's Charge and Receiver's Borrowings Charge being permitted to prime Northbase's security interest in the Assets;
 - (c) advised the parties that Northbase would be prepared to allow the Assets to be included in the SISP, while reserving its right to seek to have the Assets removed from the SISP after the non-binding LOI Bid Deadline (as defined in the Supplemental Affidavit) on certain conditions; and

- (d) requested confirmation that the monthly payments under the Leases would continue on a go forward basis post-Receivership Order date (subject to granting of same).

Attached hereto as **Exhibit "G"** is a copy of the email.

Conclusion

- 26. I swear this Affidavit in response to Invico's application for, amongst other things, the Receivership Order and the SISP Order and for no other or improper purpose.

SWORN BEFORE ME at Calgary, Alberta,)
this 9th day of February, 2026)



A Commissioner for Oaths in and for Alberta

Stephen Kroeger
Barrister & Solicitor



NICHOLAS HEFFERNAN

This is **Exhibit "A"** to the Affidavit of Nicholas Heffernan
sworn before me this 9th day of February 2026.

A handwritten signature in black ink, appearing to read 'SK', is written over a horizontal line.

Notary Public/Commissioner for Oaths in and for Alberta

Stephen Kroeger
Barrister & Solicitor

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2026/02/05
Time of Search: 03:32 PM
Search provided by: OSLER, HOSKIN & HARCOURT LLP
Service Request Number: 46444142
Customer Reference Number: 1279422-2381

Corporate Access Number: 2027523345
Business Number: 763723533
Legal Entity Name: NORTHBASE FINANCE INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Method of Registration: Amalgamation
Registration Date: 2025/10/01 YYYY/MM/DD

Registered Office:

Street: 1900, 520 - 3RD AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P0R3

Records Address:

Street: 1900, 520 - 3RD AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P0R3

Email Address: CSANNUALMAINTENANCEGROUP-CALGARY@BLG.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
DOLL	JONATHAN	L.	BORDEN LADNER GERVAIS LLP	1900, 520 - 3RD AVENUE SW	CALGARY	ALBERTA	T2P0R3	CORPCGY@BLG.COM

Directors:

Last Name: DYBESLAND
First Name: ERIK
Street/Box Number: 3231 AUDLEY STREET
City: HOUSTON
Province: TEXAS
Postal Code: 77098

Last Name: FORGERON
First Name: JOHN
Street/Box Number: 285028 FRONTIER ROAD
City: ROCKY VIEW COUNTY
Province: ALBERTA
Postal Code: T1X0V9

Last Name: FRIDFINNSON
First Name: TREVOR
Street/Box Number: 612 HILLCREST AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2S0M9

Last Name: KIEFER
First Name: EVA
Street/Box Number: 4221 17 STREET SW
City: CALGARY
Province: ALBERTA
Postal Code: T2T4P7

Last Name: MOORE
First Name: WILLIAM
Street/Box Number: 6094 SIGNAL RIDGE HEIGHTS SW
City: CALGARY
Province: ALBERTA
Postal Code: T3H2N9

Last Name: WILLNER
First Name: DEAN
Street/Box Number: 56 ASPEN MEADOWS GREEN SW
City: CALGARY
Province: ALBERTA
Postal Code: T3H5J9

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULES: SHARE STRUCTURE AND SHARES IN SERIES

Share Transfers Restrictions: NO SECURITIES (OTHER THAN NON-CONVERTIBLE DEBT SECURITIES) OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS.

Min Number Of Directors: 1

Max Number Of Directors: 11

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: SEE SCHEDULE: OTHER RULES OR PROVISIONS

Other Information:

Amalgamation Predecessors:

Corporate Access Number	Legal Entity Name
2024064210	NORDEN FINANCE INC.
2022252643	NORTHBASE FINANCE INC.

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2025/10/01	Amalgamate Alberta Corporation
2025/10/22	Update Business Number Legal Entity

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2025/10/01
Shares in Series	ELECTRONIC	2025/10/01
Other Rules or Provisions	ELECTRONIC	2025/10/01
Statutory Declaration	10000407133964468	2025/10/01

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 "B"** to the Affidavit of Nicholas Heffernan
sworn before me this 9th day of February 2026.



Notary Public/Commissioner for Oaths in and for Alberta

Stephen Kroeger
Barrister & Solicitor

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2025/12/15
 Time of Search: 08:29 AM
 Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD
 Service Request Number: 46075104
 Customer Reference Number:

Corporate Access Number: 2015847789
Business Number: 820031318
Legal Entity Name: HALO EXPLORATION LTD.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
FANO ENERGY INC.	2012/04/04
CANARC RESOURCES INC.	2013/01/21

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2011/02/01 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@DSAVOCATS.CA

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
VERBUCK	ROBERT	R.	DS LAWYERS	800- 333 7	CALGARY	ALBERTA	T2P2Z1	CORES@DSAVOCATS.CA

Directors:

Last Name: CAIN
First Name: GEOFFREY
Street/Box Number: 903 EDINBURGH ROAD SW
City: CALGARY
Province: ALBERTA
Postal Code: T2S1L7

Last Name: GRAHAM
First Name: MICHAEL
Street/Box Number: BOX 679
City: CROSSFIELD
Province: ALBERTA
Postal Code: T0M0S0

Last Name: KALIEL
First Name: JEREMY
Street/Box Number: 817 RIDEAU ROAD SW
City: CALGARY
Province: ALBERTA
Postal Code: T2S0S1

Last Name: WOOD
First Name: PHIL
Street/Box Number: 5991 E. PRINCETON AVENUE
City: ENGLEWOOD
Province: COLORADO
Postal Code: 80111

Transfer Agents:

Legal Entity Name: ODYSSEY TRUST COMPANY
Corporate Access Number: 3020718460
Street: 350, 300 - 5TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P3C4

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO AND FORMING A PART
HEREOF.

**Share Transfers
Restrictions:** NONE

Min Number Of Directors: 3

Max Number Of Directors: 10

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: SEE SCHEDULE "B" ATTACHED HERETO AND FORMING A PART
HEREOF.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2024	2025/01/06

Outstanding Returns:

Annual returns are outstanding for the 2025 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2011/02/01	Incorporate Alberta Corporation
2013/01/21	Change Address
2020/02/20	Update BN
2021/01/21	Change Director / Shareholder
2024/04/29	Change Agent for Service
2024/06/14	Name/Structure Change Alberta Corporation
2025/01/06	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2011/02/01
Other Rules or Provisions	ELECTRONIC	2011/02/01
Share Structure	ELECTRONIC	2013/01/21
Letter - Spelling Error	10000807113195000	2014/03/19
Shares in Series	ELECTRONIC	2014/09/24

Shares in Series	ELECTRONIC	2024/06/14
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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 "C"** to the Affidavit of Nicholas Heffernan
sworn before me this 9th day of February 2026.



Notary Public/Commissioner for Oaths in and for Alberta

Stephen Kroeger
Barrister & Solicitor

Asset Lease Agreement

**Norden Finance Inc.
Lease No. NB-2202**

This Asset Lease Agreement dated for reference the 21st day of March 2022 (the “**Effective Date**”).

AMONG:

Norden Finance Inc., an Alberta corporation
at 285028 Frontier Rd., Rocky View County, AB T1X 0V9 Canada
(together with its successors and permitted assigns, “**Lessor**”)

- and -

Halo Exploration Ltd., an Alberta corporation at 400, 1333 8 Street SW, Calgary, AB T2R 1M6 Canada
(together with its successors and permitted assigns, “**Lessee**”)

WITNESSES THAT in consideration of the covenants hereinafter contained, the parties to this Asset Lease Agreement covenant and agree as follows:

1.1 Definitions

In this Asset Lease Agreement, including the Schedules, the following terms have the meanings assigned to them, unless the context otherwise requires:

- a. “**AER**” means the Alberta Energy Regulator;
- b. “**Applicable Laws**” means, with respect to any Person or property, all national, provincial, state, county, municipal and local laws including the common law and by-laws, statutes, rules, regulations, treaties, ordinances, directives, decrees, decisions and orders of any Government Authority (to the extent the Person or property is subject to the jurisdiction of such Government Authority) and policies, guidelines, and interpretations (in each case, having the force of law) made or issued by any Government Authority under any of the foregoing, in each case that are applicable from time to time to such Person or property;
- c. “**Asset Sale**” has the meaning given in Section 25;
- d. “**Assets**” means those items of personal property described in Schedule “A” and “**Asset**” refers to any one of them;
- e. “**Battery Asset**” means the Halo 03-22-65-22W5 Facility located on the Crown Lease;
- f. “**Business Day**” means any calendar day of the year, other than a Saturday, Sunday or any calendar day on which major banks are closed for business in Calgary, Alberta;
- g. “**Buyout Ratio**” means the applicable buyout ratio set out in the Buyout Ratio column in Schedule “A”;
- h. “**Collateral**” has the meaning given in Section 7;
- i. “**Commencement Date**” means the 1st calendar day of the next calendar month after the Effective Date;
- j. “**Conditional Surrender of Lease**” means a conditional surrender of lease dated as of or prior to the date hereof, among Her Majesty the Queen in right of the Province of Alberta, as represented by the Department of Environment and Sustainable Resource Development, by the “director” duly appointed under the *Public Lands Act* (Alberta), as lessor, Lessee, as lessee and Lessor, as mortgagee;

- k. **“Control”** means the possession, directly or indirectly, of (i) greater than 50% of securities having ordinary voting power for the election of directors (or persons performing similar functions) in respect of a person or entity; or (ii) the power to direct or cause the direction of the management or policies of such person or entity, whether through the ability to exercise such voting power, or by contract or otherwise;
- l. **“Crown Lease”** means the mineral surface lease dated as of October 1, 2018 and bearing disposition number MSL180811, among Lessee, as lessor and the AER, as lessee, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.
- m. **“Default”** has the meaning given in Section 28;
- n. **“Effective Date”** has the meaning given in the preamble;
- o. **“Enforcement Costs”** has the meaning given in Section 29;
- p. **“Environmental Claim”** means any Governmental Order, action, suit, demand, demand letter, claim, written notice of violation or non-compliance, written notice of liability or potential liability, investigation, proceeding, lien, fine, penalty, consent order or consent agreement by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on, or resulting from: (a) the presence, release of, or exposure to, any Hazardous Material; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law;
- q. **“Environmental Law”** means all Applicable Laws relating to human health and safety, protection of the environment, in respect of Hazardous Materials or the presence, handling, storage, disposal, shipment, packing, sale, transportation, generation, use, treatment or release of Hazardous Materials, above-ground or underground storage tanks and occupational health and safety;
- r. **“Government Authority”** means any nation or any province, state, county, territory, municipality or other political subdivision thereof, or any government, quasi-government, administrative or regulatory authority, agency, board, body, commission, instrumentality, court or tribunal thereof or any central bank (or similar monetary or regulatory authority), any tax authority, any ministry or department or agency of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, or any arbitrator or panel of arbitrators;
- s. **“Governmental Order”** means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority;
- t. **“Fees”** means the sums described as Fees in Schedule “B”;
- u. **“Hazardous Materials”** means: (a) any gasoline, petroleum or petroleum products or by-products, radioactive materials, friable asbestos or asbestos-containing materials, urea-formaldehyde insulation, polychlorinated biphenyls and radon gas; and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law;
- v. **“Indebtedness”** has the meaning given in Section 7;
- w. **“Interest-Only Period”** means the period between the Effective Date and the Commencement Date;

- x. **"Lease"** means this Asset Lease Agreement, including all its schedules and all written amendments hereto;
- y. **"Leaseops"** has the meaning given in Section 23(b);
- z. **"Lessor Indemnities"** has the meaning given in Section 26;
- aa. **"Lessor's Lien"** means any mortgage, pledge, lien, security interest, charge, encumbrance, financing statement, hypothec, prior claim, title retention or any other right or claim of any person claiming through or under or for the benefit of Lessor;
- bb. **"Lien"** means any mortgage, pledge, lien, security interest, charge, encumbrance, financing statement, hypothec, prior claim, title retention or any other right or claim of any person, other than any Lessor's Lien;
- cc. **"Liquidated Damages"** has the meaning given in Section 29;
- dd. **"loss"** has the meaning given in Section 17;
- ee. **"Location"** has the meaning given in Section 16;
- ff. **"Material Adverse Event"** means any such matter, event or circumstance that, individually or in the aggregate could be expected to have a: (a) material adverse effect on: (i) the business, assets, properties, liabilities (actual or contingent), operations or condition (financial or otherwise) of Lessee; (ii) the validity or enforceability of any of the Transaction Documents considered as a whole, including the validity, enforceability, perfection, publication, priority or rank of any Collateral created under any of the Security Documents (considered as a whole); (iii) the rights or remedies of Lender under this Lease or any other Transaction Document; or (iv) the ability of Lessee to perform any of its material obligations under this Lease or any other Transaction Document; or (b) result in a change of Control of Lessee provided, however, that commodity price decreases affecting the Canadian oil and gas industry generally for a period of 12 months or less shall not constitute a matter, event or circumstance giving rise to a Material Adverse Event.
- gg. **"Person"** means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability corporation, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns have a similarly extended meaning;
- hh. **"Pre-Commencement Interest Payment"** means the payment of interest accrued from time to time on the principal amount of the Lease outstanding at the rate of 12.5% per annum, calculated and payable monthly in arrears on the outstanding balance;
- ii. **"Product"** means the production from or associated with each Asset;
- jj. **"Production Report"** has the meaning given to it in Section 23(b);
- kk. **"Project"** means Lessee's and each Asset's associated oil and gas extraction, processing, transportation and other activities associated with Lessee or such Asset;
- ll. **"Prudent Industry Practice"** means, at a particular time, either (a) any of the practices, methods and acts engaged in or approved by a significant portion of the oil and gas industry operating in Canada at such time with respect to oil and gas extraction projects of similar scope and nature as the Project, or (b) with respect to any matter to which the practices referred to in clause (a) do not apply, any of the practices, methods and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, would have been expected to accomplish the desired result at a reasonable cost consistent with the requirements of Applicable Laws, good oil and gas industry business practices, reliability, safety and expedition, with respect to oil and gas extraction projects of similar scope and nature as the Project. "Prudent Industry Practice" is

not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts having due regard for, among other things, manufacturers' warranties, the requirements of insurance policies and the requirements of governmental bodies of competent jurisdiction;

- mm. **"Purchase Agreement"** means the Asset Purchase Agreement dated as of the date hereof, between Lessor, as purchaser, and Lessee, as vendor
- nn. **"Purchase Option"** means the right granted by Lessor to Lessee to acquire all of the Assets by paying the amount set out in the Purchase Option section of Schedule "B";
- oo. **"Security Documents"** means, collectively, this Lease and the Conditional Surrender of Lease, in each case as the same may be amended, amended and restated, supplemented or otherwise modified from time to time;
- pp. **"Term"** means a period of 120 months starting on the Commencement Date, unless earlier terminated in accordance with the terms hereof;
- qq. **"Transaction Documents"** means, collectively, the Security Documents, the Purchase Agreement and all other agreements, documents, certificates and instruments executed and delivered to Lessor by Lessee in connection therewith and **"Transaction Document"** means any one of the Transaction Documents, as applicable;

1.2 The following schedules attached to this Lease are incorporated in and form part of this Lease as if those schedules were contained and repeated herein:

Schedule "A"	Assets
Schedule "B"	Financial Terms and Schedule
Schedule "C"	Quarterly Reporting Certificate

- 2. **Lease:** For and in consideration of the payments by Lessee to Lessor as provided for herein, Lessor hereby agrees to lease each Asset to Lessee, and Lessee agrees to lease, hold, and maintain such Assets from Lessor, on the terms and conditions set forth herein for the Term specified herein.
- 3. **Cancellation and/or Termination:** Neither Lessee nor Lessor can cancel or terminate this Lease except as provided herein. Each party further acknowledges and agrees that clerical errors will not affect the validity of this Lease and that Lessee or Lessor may unilaterally correct the same, provided a revised copy of this Lease is furnished to the other parties.
- 4. **Asset Lease, Selection, and Ownership:** This Lease is a lease-to-own financing arrangement whereby Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the Assets, together with all accessories and attachments. Lessee has personally selected each Asset and Lessor has purchased such Assets at Lessee's specific request. Subject to acceptance under Section 8, Lessee acknowledges suitability of each Asset and that failure of such Asset to be delivered and installed or to operate or conform to requirements will not lessen its obligations to Lessor under this Lease. The parties agree that this Lease is a "lease for a term of more than one year" as defined in Section 1(1)(z) of the *Personal Property Security Act* (Alberta).
- 5. **Title:** Unless and until the Purchase Option is exercised by Lessee, including any final payout and applicable taxes and administrative fees for transferring title of the Assets to Lessee, Lessor shall retain full title to, and all property and rights to and in, each Asset. No right, title or interest in or to the Assets shall pass to Lessee other than, conditional upon Lessee's compliance with and fulfilment of the terms and conditions of this Lease, the right to quietly possess and use each Asset during the Term, until the Purchase Option has been made from Lessee to Lessor upon which all right, title and interest in and to all of the Assets shall be conveyed to Lessee. Before such time, Lessee shall not sell, offer for sale, assign, mortgage, pledge or encumber any Asset or any part thereof. Lessee shall

indemnify Lessor from and against all losses, costs, demands and expenses (including legal fees, disbursements and other costs) incurred by Lessor by reason of or in respect of the removal or attempted enforcement of any liens, charges, demands or encumbrances or any attempted or actual distress, execution or seizure of any Asset that is directly caused by any action or inaction of Lessee. At the discretion of Lessor, each Asset shall be identified as the property of Lessor through such plates or other marks as Lessor may see fit, and Lessee shall not permit any such plates or marks to be changed or removed. Unless an Asset is already attached to real estate as of the Effective Date, no Asset shall be attached to real estate in any way and each such Asset not already attached to real estate as of the Effective Date must remain moveable at all times. Notwithstanding the title considerations outlined in this Section 5, the Parties acknowledge that Lessor has never made, and does not intend to make, any operational decisions or take responsibility for operation of the Assets.

6. **No Conditional Sale; Personal Property:** It is the intention of the parties to hereby create a lease of each Asset, and not a conditional sale. To provide solely for the eventuality that a court might hold this to be a conditional sale, Lessor hereby retains a purchase money security interest to secure payment of the sales price of each Asset as determined by such court, and Lessee grants to Lessor all rights given to a secured party under the *Personal Property Security Act* (Alberta) and any other applicable legislation, in addition to Lessor's other rights hereunder. It is further the intention of the parties that each Asset not already attached to real estate as of the Effective Date shall at all times be and remain moveable personal property, notwithstanding any purpose for which such Asset may be used or that it may become affixed, attached or joined to any land or immovable property or any structure thereon. To provide solely for the eventuality that a court might hold an Asset or any of it to be a fixture, the parties state for the purpose of complying with the legal requirements that such Asset collateral is or includes fixtures.
7. **Security Interest in the Assets:** As continuing and collateral security for payment and performance of all indebtedness, liability and obligations under this Lease (the "**Indebtedness**"), and for value received, the receipt and sufficiency of which is hereby acknowledged, Lessee hereby grants, assigns, transfers, sets over, mortgages, charges and pledges to Lessor, and hereby creates a general and continuing security interest in favour of Lessor in and to all of Lessee's right, title and interest in and to the Assets, wherever located and all proceeds and personal property derived directly or indirectly from any dealing with the Assets (collectively, the "**Collateral**") and shall provide all requested authorization and cooperation to Lessor in the registration, perfection, and maintenance of such security interest in the Collateral. The security interest granted by this Lease secures payment and performance of the Indebtedness. The grant by Lessee of the security interest in the Collateral to Lessor in no way shall limit or restrict the rights and remedies of Lessor to collect and enforce collection from Lessee of any of the Indebtedness, and Lessor shall not be required or obligated to enforce its rights or remedies with respect to the Collateral before enforcing collection.

At any time and from time to time, upon the written request of Lessor, and at the sole expense of Lessee, Lessee will promptly and duly execute and deliver such further instruments and documents and take such further action as Lessor may reasonably request for the purposes of obtaining or preserving the full benefits of this Lease and of the rights and powers herein granted, including the filing or execution of any financing statements or financing change statements under any applicable law with respect to this Lease. Lessee hereby waives any right it may have to receive a financing statement, financing change statement or verification statement relating to this Lease. Without limiting the generality of the foregoing, Lessee acknowledges that this Lease has been prepared based on applicable law and Lessee agrees that Lessor will have the right, acting reasonably, to require that this Lease be amended or supplemented: (i) to reflect any changes in applicable law, whether arising as a result of statutory amendments, court decisions or otherwise; (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions; or (iii) if Lessee amalgamates with any other Person or enters into any reorganization, in each case in order to confer upon Lessor the security intended to be created hereby.

8. **Acceptance:** Lessee hereby acknowledges that it unconditionally accepts each Asset in its present condition.

9. **Term and Lease:** This Lease will start on the Effective Date and end after the number of complete calendar months designated as the Term. During the Interest-Only Period, Lessee shall be required to make the Pre-Commencement Interest Payment to Lessor, promptly upon receiving receipt of a statement from Lessor outlining such Pre-Commencement Interest Payment. Beginning on the Commencement Date, Lessee will pay the Fees in the number of lease payments as specified herein, and for each month following the expiry of the Term in which Lessee has not returned each Asset to Lessor. All lease payments will be payable on the first calendar day of each month, starting on the Commencement Date. At any time during the Term, Lessee shall, in its sole discretion, have the Purchase Option right to acquire all of the Assets by payment of the Purchase Option amount set out herein to Lessor.
10. **Payments Upon Early Termination:** Notwithstanding anything to the contrary contained herein, in the event Lessee exercises the Purchase Option with respect to the Assets prior to the date which is 36 months following the Effective Date, Lessee shall pay all amounts otherwise attributable to the Assets following the date of consummation of the Purchase Option, including all interest and principal payable up to and including the date which is 36 months after the Effective Date, plus the applicable Buyout Ratio premium, which shall not be a penalty, pursuant to the terms of this Lease for the Assets (as determined by Lessor, acting reasonably) and in accordance with Schedule "B".
11. **Cost Recovery:** Lessee shall be responsible for, and shall pay Lessor promptly upon receipt of a statement outlining, (a) all reasonable out-of-pocket expenses incurred by Lessor, including the reasonable fees, charges and disbursements of legal counsel for Lessor, in connection with the preparation, negotiation, execution, delivery and administration of this Lease, any security documents and the other agreements, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (b) all out of pocket expenses incurred by Lessor, including the fees, charges and disbursements of counsel, in connection with (i) the registration of security associated with each Asset in such places and registries as Lessor determines in its sole discretion and (ii) the ongoing monitoring of each Asset and related due diligence, (iii) the enforcement or protection of its rights against Lessee in connection with this Lease, including its rights under this Section 11, or in connection with the Fees, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Fees.
12. **Taxes:** The Fees are exclusive of goods and services tax and all other sales, use, property, excise and other taxes or charges (including any interest and penalties) now or hereafter imposed by any governmental body or agency upon each Asset or the purchase, possession, leasing, operation, use or disposition thereof hereunder, or the Fees, (excluding taxes on or measured by the net income of Lessor) any other applicable sales tax, which shall be paid by Lessee. If Lessee fails to pay such items when due, Lessor may pay such license fees, assessments, registration fees, charges or taxes, as the case may be, in which event the costs thereof shall constitute additional Fees which shall be immediately due and payable and Lessor shall be entitled to all the rights and remedies provided in this Lease or otherwise in the event of default of payment of the Fees. Lessor will be entitled to claim any applicable capital cost allowance, investment tax credit, or similar benefit under applicable tax legislation from time to time pertaining to each Assets and/or Lease and Lessee will not make any such claim in respect thereof.
13. **Overdue payments:** When Fees or other amounts owing under this Lease are not paid when due, Lessee will pay interest at the rate of 18% per annum on such unpaid amounts, calculated and compounded monthly, and payable on demand.
14. **Installation, Maintenance and Repair:** Lessee will be responsible and at Lessee's expense for the maintenance, upkeep, care, servicing and repair, including necessary replacements of parts of the Assets. Other than normal wear and tear, Lessee will at Lessee's expense keep each Asset in the same condition such Asset was in at the Commencement Date and will be the operator of record of such Asset. Lessee shall not make any alterations, modifications additions or improvements considered to be out of scope to an Asset without written consent of Lessor, provided that if such

alterations, additions or improvements conform to industry standard and do not materially decrease the market value of such Asset, such consent shall not be unreasonably withheld. All such alterations, additions, or improvements will be at Lessee's expense. Lessee will ensure that any third party dealing with each Asset takes appropriate care and acts in accordance with Prudent Industry Practice when so doing. For increased certainty, Lessee will be solely responsible for any operational decisions made with respect to such Asset.

15. **Management and Operation:** Lessee shall manage and operate its business or cause its business to be managed and operated (i) in accordance with Prudent Industry Practice in all material respects and in compliance in all material respects with the terms and provisions of all applicable licenses, leases, contracts and agreements, and (ii) in compliance with all Applicable Laws of the jurisdiction in which such businesses are carried on, and all Applicable Laws of every other Governmental Authority from time to time constituted to regulate the ownership, management and operation of such businesses.
16. **Use:** Lessee will use each Asset in a careful and prudent manner and not for any unlawful purpose and at Lessee's expense comply with all Applicable Laws, ordinances, and regulations (including Environmental Law) relating to the possession, use, or maintenance of such Asset.
17. **Loss and Damage:** Lessee will, until this Lease is terminated and all obligations hereunder are discharged in full, bear the entire risk of loss, damage, destruction, theft, seizure, or governmental taking of any Asset or any part thereof (any such case being a "loss"), regardless of whether Lessee caused such loss by any default or neglect. No loss will relieve Lessee of its obligations hereunder.
18. **Location and Inspection:** Lessee will maintain each Asset in the province of Alberta (the "Location"), and (except such Assets that by their nature are moveable, are being moved in the ordinary course of business and on a temporary basis) can only move such Asset from such Location with the prior written consent of Lessor. Lessor will have the right to enter upon Lessee's property and to inspect each Asset and maintenance, insurance, production data, reserve reports and tax records during normal business hours and upon giving reasonable prior written notice.
19. **Net Lease:** Lessee will be responsible for all costs and expenses relating to each Asset or its use, maintenance, or possession, including all taxes and all fees, charges, claims, and fines incurred arising in connection with the registration, licensing, or operation of such Asset. For greater clarity, the Fees and other amounts payable hereunder will be absolutely net to Lessor and will be free of all expenses or outgoings of any kind or nature.
20. **Insurance:** Lessee will, at its expense, place and maintain with insurers acceptable to Lessor, which will include but not be limited to:
 - (a) Property including Boiler and Machinery risk insurance on each Asset for its full replacement value (in an aggregate amount not less than \$17,795,000), such insurance to include Lessor as additional insured, a loss payable clause in Lessor's favour as first loss payee, and a waiver of subrogation in Lessor's favour;
 - (b) Commercial general liability and umbrella liability insurance with limits of liability equal to at least \$10,000,000 per occurrence, and such insurance will: (i) extend to all Lessee's liabilities arising out of the use or possession of each Asset, (ii) include Lessor as additional insured, and (iii) include a cross-liability provision which insures each party insured thereunder in the same manner and to the same extent as if a separate policy had been issued to each;
 - (c) business interruption insurance in an amount that will reimburse Lessee for direct or indirect loss of gross earnings attributable to all perils insured against in this Section 20, and other perils commonly insured against or attributable to prevention of access to each

Asset or the Project as a result of those perils, provided that Lessee shall obtain such insurance to Lessor's satisfaction on or before May 31, 2022; and

- (d) all insurance policies required above will contain endorsements providing that: (i) Lessor will be notified in writing 30 calendar days before a policy lapses or is materially altered or canceled; (ii) coverage will be primary and not contributory in respect to the risks and liabilities assumed by Lessee; (iii) Lessor will not be responsible for payment of any premium; (iv) Lessor may elect to have all proceeds of loss payable only to Lessor (in respect to the all-risk coverage on each Asset); and (v) show Lessor as first loss payee and additional insured. Lessee will, on request, supply certified copies of all insurance policies or other evidence satisfying these insurance covenants. During a Default, Lessor will be entitled to retain from all insurance proceeds an amount equal to the outstanding amount due and payable to Lessor by Lessee under this Lease.

21. **Lessee Representations and Covenants:** Lessee represents, warrants, and covenants throughout the Term that:

- (a) Lessee will continue to be validly incorporated (or otherwise established), organized and existing and in good standing;
- (b) each Asset shall remain free and clear of all Liens and encumbrances;
- (c) this Lease is and will continue to be the legal, valid and binding obligation of Lessee enforceable against it and effective against its creditors in accordance with its terms;
- (d) there are no pending or threatened actions or proceedings before any court, administrative agency, or other tribunal that could have a material adverse effect on Lessee;
- (e) each Asset is, and at all times shall be, a critical operating asset in Lessee's business;
- (f) Lessee has ensured that Lessee and any third party dealing with each Asset has taken appropriate care and has acted in accordance with Prudent Industry Practice when so doing;
- (g) the Crown Lease is in good standing and Lessee is not in breach of any terms therein;
- (h) Lessee will perform its obligations under the Crown Lease, including payment of rentals, royalties, Taxes or other charges in respect thereof which are necessary to maintain the Crown Lease in good standing in all respects; and
- (i) except as, in the aggregate, would not reasonably be expected to result in a Material Adverse Event:
 - (i) none of the Assets contain or previously contained, any Hazardous Materials in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could result in liability under, any Environmental Law;
 - (ii) Lessee has not received any notice of actual or alleged material violation, noncompliance or liability regarding compliance with Environmental Law or other environmental matters or with respect to any Asset, nor is there any reason to believe that any such notice will be received or is being threatened;
 - (iii) each Asset and all operation of such Asset is and formerly has been in compliance with all applicable Environmental Law, and there is no known contamination at,

under or about such Asset or violation of any Environmental Law with respect to such Asset; and

- (iv) no Environmental Claim is pending or, to its knowledge, threatened, to which Lessee is or will be a party with respect to each Asset or the operation of such Asset, nor are there any decrees or orders or other administrative or judicial requirements outstanding under any Environmental Law with respect to such Asset or the operation of such Asset.

22. **Lessor Representations and Covenants:** Lessor represents, warrants, and covenants throughout the Term that:

- (a) Lessor will continue to be validly incorporated (or otherwise established), organized and existing and in good standing;
- (b) Lessor will retain title to each Asset and, unless such Lessor's Lien does not interfere with Lessee's use of each Asset, Lessor shall keep each Asset free and clear of all Lessor's Liens; and
- (c) there are no pending or threatened actions or proceedings before any court, administrative agency, or other tribunal that could have a material adverse effect on Lessor.

23. **Reporting Obligations:** Lessee agrees to provide reporting, as is usual and customary for transactions of this nature (subject to customary materiality thresholds), including:

- (a) quarterly financial statements (unaudited, consolidated and unconsolidated) within 120 calendar days after each of the twelve fiscal month ends of each fiscal year and annual financial statements (audited and consolidated) within 180 calendar days after each fiscal year end;
- (b) on a monthly basis, within 45 calendar days of the end of each calendar month, Corporate Lease Operating Statements (the "**Leaseops**") summarizing Lessee's monthly corporate expense, income, sales and production information and forecast or explanation of any production interruptions including, but not limited to maintenance and turnarounds by Lessee or downstream parties;
- (c) notices of an Environmental Claim, other material environmental damages, Defaults, litigation that could result in the occurrence of a Material Adverse Event, change of Control, any correspondence with regulators or other relevant parties relating to the Battery Asset and which could result in environmental remediation obligations or other liability in excess of \$10,000, including any legal proceedings that could result in the occurrence of a Material Adverse Event. For increased certainty the notices listed in this Section 23(b) shall also include those which may give rise to any claim triggering the environmental indemnity given by Lessee in Section 27;
- (d) promptly upon Lessee becoming aware, and in any event within 10 calendar days, report any Material Adverse Event to Lessor. Upon the occurrence of such Material Adverse Event, Lessee covenants to:
 - (i) propose a plan to Lessor to solve or mitigate such Material Adverse Event;
 - (ii) until such plan is approved by Lessor, cooperate with Lessor to refine such plan to Lessor's satisfaction; and
 - (iii) once Lessor approves such plan, implement such plan diligently and in good faith;

- (e) within a reasonable time, and no less than 5 calendar days after Lessee's board of directors has approved any agreement binding Lessee to any act which will result in a change of Control of Lessee;
 - (f) within a reasonable time, and no less than 10 calendar days, prior to Lessee divesting of more than 30% of their assets and / or having a significant change of Control that may result in a Material Adverse Event;
 - (g) all other reports made available by or on behalf of Lessee or any of its affiliates relating in any way to an Asset, as determined by Lessee, acting reasonably, including access to management presentations, models, budgets, and lending agreements and other key documentation;
 - (h) other information as may be reasonably requested by Lessor;
 - (i) a completed Quarterly Reporting Certificate, in the form set out in Schedule "C", per the timelines set forth in this Agreement, which shall include annual maintenance, repair or similar reports relating to the Assets; and
 - (j) forthwith upon becoming aware thereof, provide written notice to Lessor, within 2 calendar days, of (i) any existing, pending or threatened breach of the Crown Lease or any amendment, termination or change thereto, and (ii) any notice and copies of any correspondence or information requests from the AER, any agent of the provincial Crown or any Governmental Authority relating to the Battery Asset and which could result in environmental remediation obligations or other liability in excess of \$10,000.
24. **Transfer of Lease:** Lessee will not sublet or part with possession or control of an Asset without prior written consent from Lessor, which, as long as this Lease is assumed in connection therewith, Lessor agrees not to unreasonably withhold.
25. **Disposal of Assets:** If Lessee is in compliance with all other provisions of this Lease and wants to sell any of the Assets (in each case, an "**Asset Sale**"), it shall inform Lessor of the particulars of such proposed Asset Sale, including details of any new equipment with which Lessee proposes to replace such disposed Asset, to be included in the scope of Asset hereunder. Provided that such new asset is of equal or greater value and is acceptable to Lessor following its diligence review, Lessor's consent shall not be unreasonably withheld and the Purchase Option in respect of such Asset shall not have occurred.
26. **Indemnity and Liability:** Lessee shall be responsible for, and shall indemnify and hold harmless Lessor and Lessor's affiliates, directors, officers, partners, employees, agents and representatives (collectively, the "**Lessor Indemnitees**") from and against, any and all loss, costs, liabilities, claims, legal proceedings, and expenses sustained or suffered by any Lessor Indemnitee or for which any Lessor Indemnitee may become liable arising from or in connection with this Lease, any license, an Asset, the manufacture, selection, purchase, ownership, delivery, possession, use, maintenance, operation, loss or return of an Asset, taxes, the recovery of claims under any insurance policy relating to an Asset, any use or operation of an Asset which infringes any patent or other industrial or intellectual property right of any person, default, Lessor's exercise of any rights or remedies hereunder or any entry or taking of possession, removal or disabling of an Asset pursuant to Section 29. Lessor will not be liable for any loss, damage, or expense of any kind or nature, whether direct, indirect or consequential, caused by an Asset or the use, maintenance, or possession thereof, by the inadequacy of an Asset or by any interruption of service or loss of use of an Asset or for any loss of business or damage whatsoever and howsoever caused.
27. **Environmental Indemnity:** In addition to any other indemnity of Lessee to Lessor under this or any other agreement, Lessee shall indemnify and hold harmless Lessor from and against any and all

claims, including Environmental Claims, suits, actions, debts, damages, costs, losses, liabilities, penalties, obligations, judgments, charges, expenses and disbursements (including all reasonable legal fees and disbursements on a solicitor and his own client basis) of any nature whatsoever, suffered or incurred by Lessor in connection with this Agreement or any Asset Lease, or otherwise howsoever, with respect to (a) any Environmental Claims relating to each Asset arising under any Environmental Law or permits relating to environmental matters contained in Applicable Laws as a result of the past, present or future operations of Lessee relating to such Assets, Product or Project, (b) any other failure of Lessee to comply with any requirements of Environmental Law, and (c) the discharge, emission, spill, radiation or disposal by a Person of any Hazardous Material into or upon any land, the atmosphere, or any watercourse or body of water; including the costs of defending, counterclaiming or claiming against third parties in respect of any action or matter and any cost, liability or damage arising out of a settlement entered into by Lessor of any such action or matter, including in each case any liabilities arising as a result of the indemnity covering Environmental Claims given to any Person by Lessor or a receiver, interim receiver, receiver manager or similar Person appointed hereunder or under Applicable Laws. In each case, the provisions of this Section 27 shall survive the termination or expiry of this Lease.

28. **Default:** Lessee is in default under this Lease (a “**Default**”) if:

- (a) Lessee fails to pay any Fees or any other amount due under this Lease within 15 calendar days of Lessor providing written notice that such Fees or other amounts are due and owing and in default; or
- (b) Unless otherwise contemplated in this Section 28, Lessee breaches in any material respect any of the representations or covenants made by Lessee under this Lease which is not cured within 30 days of such breach occurring or arising; provided, however where the breached representation or covenant, by its nature, cannot be reasonably cured in such 30 day period and Lessee has diligently and continually made efforts to cure, or cause to be cured, such default, the cure period shall be extended to such reasonable period of time as mutually agreed by Lessor and Lessee; or
- (c) Lessee grants a Lien on any part of an Asset or attempts to sell an Asset or assigns this Lease without the written consent of Lessor; or
- (d) There occurs and is continuing a Material Adverse Event for which: (i) Lessor becomes aware; or (ii) Lessee notifies Lessor, and upon the earlier of either:
 - (i) Lessee failing to comply with any of its obligations to propose, refine to Lessor’s satisfaction and implement, a plan to solve or mitigate such Material Adverse Event in accordance with Section 23(d); or
 - (ii) after 15 calendar days, or such longer period of time as Lessor reasonably agrees to, in Lessor’s sole discretion in light of the nature and severity of such Material Adverse Event.
- (e) Lessee fails to deliver the Leaseops when due or the Leaseops fail to demonstrate to Lessor’s satisfaction that Lessee’s producing day average exceeds 500 barrel of oil equivalent/day; or
- (f) There is an existing, pending or threatened termination or assignment of the Crown Lease; or
- (g) Lessee makes any assignment for the benefit of its creditors, becomes insolvent, commits any act of bankruptcy, takes any action to wind-up or dissolve, cease or threaten to cease

to do business as a going concern, is subject to a change in control in fact or in law or seeks any arrangement or composition with its creditors; or

- (h) any proceeding in bankruptcy, receivership, winding-up, dissolution, liquidation, or insolvency is commenced by or against Lessee or its property; or
- (i) without the written consent of Lessor which consent shall not be unreasonably withheld, any dealing, issuing or transferring of shares, units, memberships or interests of Lessee or any of its affiliates results in a change of Control of Lessee; or
- (j) Lessee fails to perform or comply with any obligation under this Lease (other than those described in clause (a), (b), (c), (d), (e), (f), (g), (h) or (i) above) within 15 calendar days of Lessor providing written notice of such failure.

29. **Effect of Default; Damages:** Lessor's loss upon a Default depends in part on the cost of each Asset, the Term, and Lessor's minimum expected return from the sale and re-lease of each Asset at the end of the Term. Upon any Default and in addition to Lessor's other rights and remedies under this Lease and otherwise available at law or in equity:

- (a) Lessee shall pay forthwith (with notice) as liquidated damages, and not as a penalty, an amount (the "**Liquidated Damages**") equal to the aggregate of:
 - (i) lease payments and other amounts payable hereunder unpaid as of the date of the Default, and
 - (ii) the present value (calculated on the basis of an interest rate of three percent (3%) per annum calculated and compounded monthly) of: (A) the lesser of i) the amount due upon the immediately preceding Purchase Option or ii) remaining lease payments payable from the date of Default to the end of the Term, and (B) amounts otherwise payable under the Lease to the end of the Term, and
 - (iii) any Enforcement Costs incurred by Lessor, and
 - (iv) interest thereon from the date of Default until payment has been received in full by Lessor. To the extent that the Liquidated Damages are deemed to include any taxes which Lessor is required to remit to any taxation authority, the Liquidated Damages will be increased by the amount necessary to ensure that the net amount of the Liquidated Damages retained by Lessor after remitting all applicable taxes will be equal to the amount calculated above;
- (b) upon demand by Lessor, at Lessee's expense Lessee will return each Asset in its original condition, other than normal wear and tear. Upon return of an Asset the parties will complete a joint inspection of such Asset. If, upon return of such Asset, the parties disagree on whether and to what extent such Asset requires repairs other than repairs caused by normal wear and tear, the parties will use all commercially reasonable efforts to resolve the disagreement using an agreed-upon independent expert whose cost will be split evenly by both parties.
- (c) Lessor may, with prior notice to Lessee, disable or repossess an Asset; and
- (d) Lessee's rights hereunder in respect of each Asset will cease and terminate absolutely.

Lessor's rights and remedies, either under this Lease or at law or in equity or otherwise afforded to us, are cumulative and not alternative. Upon demand, Lessee will pay all of the costs and expenses incurred by Lessor as a result of a Default ("**Enforcement Costs**") (including all costs and expenses

in respect of collection, repossession, repair of an Asset, enforcement of our rights and remedies, sale and re-lease costs and other realization costs), with interest accruing thereon from the date such costs and expenses were incurred until payment in full.

30. **Effect of Material Adverse Event:** Upon a Default under Section 28(d) and in addition to Lessor's other rights and remedies under this Lease and otherwise available at law or in equity, Lessor may, upon providing written notice to Lessee that a Material Adverse Event has occurred, immediately terminate this Lease, seize the Collateral and exercise any other remedies it has under the Transaction Documents or at law.
31. **Sale on Default:** Lessor may after Default sell, re-lease or otherwise dispose of any Asset at public or private sale upon at least 14 calendar days' written notice, to Lessee and upon such terms and in such manner as Lessor may determine. Lessee will thereafter continue to be liable for the amount of any deficiency between the proceeds from such disposition and the Liquidated Damages. If at any time after Default Lessee pays Liquidated Damages and all applicable taxes, title of each Asset will be transferred to Lessee on an "as is, where is" basis without any condition, representation or warranty whatsoever.
32. **Effect of Waiver:** No delay in exercising, or failure to exercise, any right or remedy accruing to us under this Lease will impair or waive such right or remedy, nor will a waiver of any single Default be deemed a waiver of any other prior, subsequent or concurrent Default. Any waiver, permit, consent or approval on our part in respect of this Lease must be in writing and will have effect only to the extent specifically set forth in such writing.
33. **Lessor Warranties:** Lessor warrants that on the Commencement Date, Lessor owns and is permitted to lease each Asset to Lessee. In addition, Lessor warrants that no payments made to Lessor under this Lease will be used by Lessor in violation of any law applicable to Lessor concerning or relating to bribery or money laundering. In the event that Lessor breaches this Section 33, Lessee shall be entitled to terminate this Lease, in which event Lessee shall have no further obligations hereunder, other than the obligation to pay all outstanding amounts that are due and payable as of the date of termination. Lessee acknowledges that there are no promises, inducements, representations, collateral warranties, warranties, conditions, options or terms, oral or written, express or implied, made by or on behalf of Lessor or operating in favour of Lessee with respect to any aspect of each Asset (including, without limitation, its condition, design, capabilities, operation, use, suitability, fitness, durability, quality, merchantability or history) except as expressly set out in this Lease. Lessor shall not be liable to Lessee for any loss, cost, expense or damage of any kind or nature whatever caused directly or indirectly by an Asset or the use, operation, ownership, or maintenance of it, or for any loss of business or other damages whatsoever and howsoever caused.
34. **Lessee Covenants:** The licensing and registration of, and obtaining any necessary inspections and certifications prior to operating, each Asset and all related costs and obligations will be the sole responsibility of Lessee, provided that Lessor shall provide any reasonable assistance requested by Lessee in complying with such obligations.
35. **Return of Assets:** At the expiry of the Term, unless a Default has occurred and is continuing, all rights and interests in each Asset will be transferred to Lessee at a total cost of \$1 and such Assets will be free of all Lessor's Liens.
36. **Filings:** Lessor may file or record this Lease and any Schedules in original or true form, a financing or financing change statement or any other notice in respect thereof or any appropriate document with appropriate offices of public record in any jurisdiction where an Asset may at any time be located or where Lessee may be resident or carry on business. Lessor agrees to provide copies of any such filings to Lessee. Lessee agrees to do all things and execute all documents that, in Lessor's reasonable opinion, are necessary or desirable to protect Lessor's interest in the equipment, including the execution of financing or financing change statements. If Lessee, upon request by Lessor, fails to forthwith execute any such financing or financing change statement, notice or other document,

Lessor may execute the same in the name of and on behalf of Lessee. Lessee hereby irrevocably appoints Lessor as its attorney for such purposes. In effecting any such filing or recording, Lessor shall be acting out of prudence only, and Lessor does not and shall not be deemed to thereby admit that this Lease or any Schedule is not a true lease or that this Lease or any Schedule is in substance a security agreement securing a lien in its favour on each Asset.

37. **Name Change, etc.:** Lessee will promptly, and in each case within five 5 calendar days thereof, notify Lessor in writing of: (a) any change in name; (b) any transfer, authorized or unauthorized, of any interest in or benefit from an Asset; (c) any change, authorized or unauthorized, in the location of an Asset; and (d) any change in the location of Lessee's chief executive office or any place of business (including any additional places of business).

38. **Notices:**

All notices required or permitted hereunder must be in writing. Any notice to be given hereunder will be deemed to be served properly if served in any of the following modes.

- (a) By delivering the notice to the Party at their address for service, and such notices will be deemed received when actually delivered, provided that such delivery is during normal business hours on any Business Day. If not delivered on a Business Day or after normal business hours, delivery will be deemed at the commencement of the next Business Day.
- (b) By any electronic means by which a written message may be sent to the a party's address for service, and such notice will be deemed received by the addressee when actually received, if received within normal business hours on any Business Day, or at the commencement of the next Business Day if the notice is not received during such normal business hours.
- (c) By mailing it first class to the Party at that Party's address for service, and such notices will be deemed received by the addressee at noon, local time, on the earlier of the actual date of receipt or the fourth Business Day following mailing.

The address for service and e-mail address for each of the Parties is:

Lessor:

Norden Finance Inc.
285028 Frontier Rd.
Rocky View County, AB, Canada T1X 0V9
Attention: Dean Willner – dwillner@northbasefinance.com

With a copy to:

Eva Kiefer – eva@akiraimpact.com

Lessee:

Halo Exploration Ltd.
400, 1333 8 Street SW
Calgary, AB, Canada T2R 1M6
Attention: Geoffrey Cain – gcain@haloexp.com

A party may change its address for service by notice to the other parties, and such changed address for service thereafter will be effective for all purposes of this Lease.

39. **Survival:** Notwithstanding any other sections hereof, all of Lessee's obligations and all of Lessor's rights and remedies hereunder will survive the termination of this Lease and the receipt of all lease payments and other amounts payable by Lessee hereunder.
40. **Currency:** All dollar amounts referred to herein are expressed as the lawful currency of Canada.
41. **Governing Law:** The laws of the Province of Alberta and the federal laws of Canada applicable therein govern all matters arising under this Lease. The courts of the Province of Alberta have exclusive jurisdiction in respect of all matters arising out of this Lease. Each Party hereby waives, to the fullest extent permitted by law, any right it may have to a trial by jury in all legal proceedings arising out of or relating to this Lease. Each party certifies that no representative, agent or attorney of any other party has represented to it, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver, and acknowledges that it and the other parties have been induced to enter into this Lease by, among other things, the mutual waivers and certifications in this Section 41.
42. **Entire Agreement; PO Terms of No Effect:** This Lease constitutes the entire agreement of the parties concerning its subject matter and no other representation, warranties or agreements, either oral or written, shall be binding upon Lessee or Lessor. This Lease supersedes and invalidates all prior agreements, understandings, negotiations, representations and warranties, whether oral or written, with respect thereto. The terms of this Lease shall supersede any terms attached to any Lessee purchase orders, which terms shall not be applicable to this Lease or to the rental of any Assets and which shall not be considered to be exceptions to the provisions of this Lease.
43. **Authorized Execution:** Lessee has read, understands, and accepts this Lease and hereby affirms that the signatory hereto is authorized to execute this Lease.
44. **Assignment:** Lessor may assign this Lease and the rights and obligations hereunder, in whole or in part, to a third party without the prior written consent of Lessee. Lessee may not assign this Lease nor any of the rights and obligations hereunder, in whole or in part, without the prior written consent of Lessor, which may be withheld or granted in Lessor's sole discretion.
45. **No Other Agreements:** Lessee confirms and acknowledges: (a) that there are no separate maintenance, service, or other agreements which attach to the Lease and for which payments are included in the regular payments; (b) that the essential element of this Lease is equipment lease only; and (c) that Lessee authorizes Lessor to pay the vendor(s) for the equipment and to commence the Lease on the date Lessor shall establish.
46. **Counterpart Execution:** This Lease may be executed in any number of counterparts with the same effect as if all signatories to the counterparts had signed one document, provided that neither Party is bound to this Lease until both Parties have executed a counterpart. All such counterparts will together constitute and be construed as one instrument. For avoidance of doubt, a signed counterpart provided by way of facsimile transmission, e-mail transmission of Adobe Acrobat PDF files, or other electronic means will be as binding upon the Parties as an originally signed counterpart

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have executed this Asset Lease Agreement as of the date first written above.

NORDEN FINANCE INC.

Per: Dean Willner
Name: Dean Willner
Title: President and Chief Executive Officer

HALO EXPLORATION LTD.

Per: DocuSigned by:
Geoffrey Cain
59186987EDFD441...
Name: Geoffrey Cain
Title: President and Chief Executive Officer

Schedule "A"

Attached to and forming part of that Asset Lease Agreement dated as of March 21, 2022,
among Norden Finance Inc. and Halo Exploration Ltd.

Assets

See attached.

Equipment Description	ID	Make	Model	Year	Serial No.
Tank Farm					
1000 BBL 16 Oz Insulated, Coated, Heated Slop Tank	49745	Shield Industries Ltd	12 - API 650 MOD	2018	102-009
2000 BBL 16 Oz Insulated, Coated, Heated Water Tank	49745	Shield Industries Ltd	12 - API 650 MOD	2018	102-008
2000 BBL 16 Oz Oil Sales Tank	49739	Shield Industries Ltd	12 - API 650 MOD	2018	102-007
Treater					
120' x 40' 75 PSI Horizontal Sour Treater Package 76868; also including, but not limited to:	49738	Fre-Flo Oil Industries Ltd	76868	2018	
Black Gold Burner	49738	Black Gold Industries Ltd	FA-36-24IHR	2018	FA090418-02
Black Gold Burner	49738	Black Gold Industries Ltd	FA-36-24IHL	2018	FA090418-01
Profire Control Panel 1 & 2	49738	Profire	2100	2018	
Pump, Manifold	49738	Fre-Flo Oil Industries Ltd	8x36SCR	2018	6500
Dual Chamber Orifice	49738	Canalta	815DC40	2018	D061043
Primary treater tank	49738	Fre-Flo Oil Industries Ltd	10.X 40	2018	8498
Pump and Instrument Buildings					
Pumps Building PKG 76864; also including, but not limited to:	49737	KPS Industries	76864	2018	016337-02
FloTech Pump 1	49737	FlowTech Pump	3FL6CDYAAAA S5Y	2018	3137454-001
FloTech Pump 2	49737	FlowTech Pump	3FL6CDYAAAA S5Y	2018	3137454-002
PSV 1	49737	Anderson Greenwood Crosby	951100MFA	2018	1101-1807-145782
PSV 2	49737	Anderson Greenwood Crosby	951100MFA	2018	1101-1801-118663
Sales Gas Metering Package PKG 76866; also including, but not limited to:	49744	KPS Industries	76866	2018	
Flow Measurement	49744	Canalta	600	2018	FE-0801
Flow Measurement Orifice	49744	Canalta	860DC80	2018	D0600545
Control Valve	49744	Fisher Controls	D4	2018	17741238
Vessel	49744	Perfabco Ltd.	681721	2018	14385
Flare Stack and FKOD's					
40 BBL 14.9 PSI FKOD	49752	FlareTech Inc.		2018	18-1143-1
25 BBL 14.9 PSI FKOD	49752	FlareTech Inc.		2018	18-1143-2
8'-6" x 65' Freestanding Flare Stack	49752	FlareTech Inc.		2018	18-1143
Wellhead / Sales Gas Out					
Various Equipment					
Power Generation					
550 KW CAT G3512LE Nat Gas Generator Package; also including, but not limited to:	49748	Caterpillar (Engine)	G3512LE - 273-3086	2018	WRP00118
Cooler	49748	Nowest Cooling Systems	6/4 ROW MK8	2013	14611
Kato Generator	49748	Belair Power & Production Equipment	G3512B-NS-EG	2013	BP220
Transformer (480V)	49748	Hammond Power Solutions	NMK015KB	2018	
Synchro Generator	49748	Belair Power & Production Equipment	P309116	2018	92280-2
MCC Building and Electrical Equipment					
MCC and Instrument Air Building; also including, but not limited to:	49754	KPS Industries	74569	2018	
HVAC - 1800	49754	Bard Manufacturing	W72AB	2018	405M183596625-02
HVAC - 1801	49754	Bard Manufacturing	W72AB	2018	405M183596626-02
Main Compressor	49754	Eagle Pump & Compressor	200-1379	2021	911722-1
Secondary Compressor	49754	Eagle Pump & Compressor	200-1379	2021	911722-2
Control Panel	49754	Eagle Pump & Compressor	EV06NK-2540DD80	2021	EV-0221-47288-001
Main Vessel	49754	SteelFab	A10131	2018	SC-2785
Main Vessel 2	49754	Manchester Tank	302428	2019	2195137
Main Vessel 3	49754	Manchester Tank	302428	2019	2195142
Roto Pump	49754	Rotorcomp Verdichter	EV06-NK	2019	SC398100
Roto Pump	49754	Rotorcomp Verdichter	EV06-NK	2019	SC330871
H2S Scavenger Skids					
-36" 1440 PSI Ultrafab Sweetening Package; also including, but not limited to:	49747	UltraFab	76868	2016	
Vessel-1	49747	Global Process Equipment Inc.	860820	2016	16-065-1
Sweet Tank	49747	UltraFab / Nalco	860820	100bbi	179-401
Vessel-2	49747	Global Process Equipment Inc.	860455	2015	15-047-8
-36" 1440 PSI Ultrafab Sweetening Package; also including, but not limited to:	49741	UltraFab	76867	2016	
Vessel-1	49741	Reece Custom Process Equipment Inc.	588251	2018	18-094
Vessel-2	49741	Reece Custom Process Equipment Inc.	679407	2018	18-085
Tank	49741	UltraFab / Nalco		2018	VGS1184
Tank - 100 BBL	49741	UltraFab / Nalco	100bbi	2018	188-412
Test Separator Header Package					
36" OD x 10' S/S 740 PSI Vertical Test Separator Package w/ well Manifold; also including, but not limited to:	49743	Cape Manufacturing	74571	2016	
Vertical Separator Vessel	49743	Cape Manufacturing	36X10SS	2016	V-150471
Inlet Slug Catcher/Separator					
96" x 40' 460 PSI Sour Horizontal Separator Package; also including, but not limited to:	49742	Cape Manufacturing	74570	2021	
Bridal Vessel 1	49742	Cape Manufacturing	S/S Bridal 3, 3X4	2021	B-211620-1
Horizontal Separator Vessel	49742	Cape Manufacturing	96X40	2021	V-211620
Bridal Vessel 2	49742	Cape Manufacturing	S/S Bridal 4X	2021	B-211620-2
Pumpjack					
Weatherford 912 Pumpjack - Engine Driven	49749	Weatherford / Arrow	912	2014	SP211 HP3
Separator Package					
24" x 10' (est) 1415 PSI Sour Inlet Separator Package; also including, but not limited to:	49753	Plains Oil Ltd	76869		
Inlet Separator	49753	Plains Oil Ltd	670527	2000	2612 V140
Flow Valve	49753	Flow Control Oil & Gas Inc.	06-14C06RT3G GS	2000	3734-81
Sales Gas Compressor					
Caterpillar G3512LE Ariel JGE/4 3-Stage Sour Compressor Package; also including, but not limited to:	49751	Caterpillar (engine)	3512 ie	2010	7NJ01288
Air Cooler	49751	AXH Air Coolers, LLC	67859B	2007	67859B 5
Air Cooler	49751	AXH Air Coolers, LLC	67859B	2007	67859B 4
Exhaust	49751	Emit	ELH35501010F-802E-24T	2007	70303-0002-00002
Compressor	49751	Propak Compression Services	B-0700	2010	C68296-100
Electrical Panel	49751	Propak Compression Services	CPC-100	2021	068296-146
First Stage Suction Scubber	49751	Propak Systems Ltd	593771	2009	068296-101
First Stage Suction Bottle	49751	Propak Systems Ltd	593742	2009	068296-105
Compressor 1	49751	Ariel Corporation	63SPSIET	2009	C-78022
Compressor 2	49751	Ariel Corporation	63SPSIET	2009	C-78024
Compressor 3	49751	Ariel Corporation	63SPSIET	2009	C-78021
Compressor 4	49751	Ariel Corporation	63SPSIET	2009	C-78023
Second Stage Suction Scubber	49751	Propak Systems Ltd	593735	2009	068296-102
Second Stage Suction Bottle	49751	Propak Systems Ltd	593749	2009	068296-107
Third Stage Suction Scubber	49751	Propak Systems Ltd	593778	2009	068296-103
Third Stage Suction Bottle	49751	Propak Systems Ltd	593748	2009	068296-109
Storage					
40' Sea Container and Contents	49750	NA	CPPU638724	2001	XCMC65000084
TOTAL					

Balance of Plant Estimates
Site Preparation and Roads
Engineering, Permitting, Studies, Commissioning
Spare Parts and Fluids
Construction
Pipeline and Risers
Pigging Facilities
Electrical, Instrumentation and Heat Trace
Transportation
TOTAL
TOTAL IN PLACE VALUE ESTIMATE

Schedule "B"

Attached to and forming part of that Asset Lease Agreement dated as of March 21, 2022,
among Norden Finance Inc. and Halo Exploration Ltd.

Financial Terms and Schedule

Option to Purchase.

- (a) Lessor hereby grants to Lessee the right and option (the "Purchase Option"), on any date, upon sixty (60) calendar days' prior written notice to Lessor or such earlier notice period as may be agreed upon between Lessor and Lessee, to purchase the Assets in their entirety at a price determined in accordance with the applicable amount listed in the column entitled "Buyout Amount" of the repayment table in this Schedule "B" (the "Buyout Amount").
- (b) The Purchase Option shall be subject to the conditions that: (a) Lessee is not in Default under the Lease, and (b) all Fees have been paid prior to the date of Lessee's exercise of the Purchase Option.
- (c) Upon Lessee's exercise of the Purchase Option granted herein, Lessor will, upon payment of the Buyout Amount and all other amounts due to Lessor by Lessee, deliver or cause to be delivered to Lessee, documents conveying to Lessee all of Lessor's title to the Assets being purchased free and clear of all liens and Liens but otherwise on an as-is, where-is basis; and this Lease shall be deemed terminated as of the date thereof.
- (d) Nothing contained herein shall be construed to provide that Lessee shall be under any obligation to exercise the Purchase Option, or under any obligation respecting the creditors, members or security holders of Lessor.

NORDEN FINANCE INC.

Halo Exploration Ltd.

Annual Interest Rate	12.50%
Lease Funding Amount	\$6,000,000
Buyback Value at the End of the Term	\$1
Term, years	10.0
Commitment Fee	1.0% \$60,000
Monthly Fee Payment ¹	\$87,826

¹ All payments to occur at the beginning of the month

Payment Month	A Opening Principal	B Capital Fee	C Principal	D Interest	E=A-C Closing Principal	F Buyout Ratio	G Early Termination	(A * F)+G Buyout Amount
1	\$6,000,000	\$87,826	\$25,326	\$62,500	\$5,974,674	1.06x	\$ 2,062,374	\$ 8,422,374
2	\$5,974,674	\$87,826	\$25,590	\$62,236	\$5,949,085	1.06x	\$ 1,999,874	\$ 8,333,029
3	\$5,949,085	\$87,826	\$25,856	\$61,970	\$5,923,229	1.06x	\$ 1,937,638	\$ 8,243,668
4	\$5,923,229	\$87,826	\$26,125	\$61,700	\$5,897,103	1.06x	\$ 1,875,669	\$ 8,154,291
5	\$5,897,103	\$87,826	\$26,398	\$61,428	\$5,870,706	1.06x	\$ 1,813,968	\$ 8,064,898
6	\$5,870,706	\$87,826	\$26,673	\$61,153	\$5,844,033	1.06x	\$ 1,752,540	\$ 7,975,488
7	\$5,844,033	\$87,826	\$26,950	\$60,875	\$5,817,083	1.06x	\$ 1,691,387	\$ 7,886,062
8	\$5,817,083	\$87,826	\$27,231	\$60,595	\$5,789,852	1.06x	\$ 1,630,512	\$ 7,796,619
9	\$5,789,852	\$87,826	\$27,515	\$60,311	\$5,762,337	1.06x	\$ 1,569,917	\$ 7,707,160
10	\$5,762,337	\$87,826	\$27,801	\$60,024	\$5,734,536	1.06x	\$ 1,509,606	\$ 7,617,683
11	\$5,734,536	\$87,826	\$28,091	\$59,735	\$5,706,445	1.06x	\$ 1,449,582	\$ 7,528,190
12	\$5,706,445	\$87,826	\$28,384	\$59,442	\$5,678,061	1.06x	\$ 1,389,847	\$ 7,438,678
13	\$5,678,061	\$87,826	\$28,679	\$59,146	\$5,649,382	1.06x	\$ 1,330,405	\$ 7,349,150
14	\$5,649,382	\$87,826	\$28,978	\$58,848	\$5,620,404	1.06x	\$ 1,271,258	\$ 7,259,603
15	\$5,620,404	\$87,826	\$29,280	\$58,546	\$5,591,124	1.06x	\$ 1,212,411	\$ 7,170,039
16	\$5,591,124	\$87,826	\$29,585	\$58,241	\$5,561,539	1.06x	\$ 1,153,865	\$ 7,080,456
17	\$5,561,539	\$87,826	\$29,893	\$57,933	\$5,531,646	1.06x	\$ 1,095,624	\$ 6,990,856
18	\$5,531,646	\$87,826	\$30,204	\$57,621	\$5,501,442	1.06x	\$ 1,037,691	\$ 6,901,236
19	\$5,501,442	\$87,826	\$30,519	\$57,307	\$5,470,923	1.06x	\$ 980,070	\$ 6,811,598
20	\$5,470,923	\$87,826	\$30,837	\$56,989	\$5,440,086	1.06x	\$ 922,763	\$ 6,721,942
21	\$5,440,086	\$87,826	\$31,158	\$56,668	\$5,408,928	1.06x	\$ 865,774	\$ 6,632,266
22	\$5,408,928	\$87,826	\$31,483	\$56,343	\$5,377,445	1.06x	\$ 809,107	\$ 6,542,570
23	\$5,377,445	\$87,826	\$31,811	\$56,015	\$5,345,635	1.06x	\$ 752,764	\$ 6,452,856
24	\$5,345,635	\$87,826	\$32,142	\$55,684	\$5,313,493	1.06x	\$ 696,749	\$ 6,363,121
25	\$5,313,493	\$87,826	\$32,477	\$55,349	\$5,281,016	1.06x	\$ 641,065	\$ 6,273,367
26	\$5,281,016	\$87,826	\$32,815	\$55,011	\$5,248,201	1.06x	\$ 585,716	\$ 6,183,593
27	\$5,248,201	\$87,826	\$33,157	\$54,669	\$5,215,044	1.06x	\$ 530,706	\$ 6,093,798
28	\$5,215,044	\$87,826	\$33,502	\$54,323	\$5,181,541	1.06x	\$ 476,037	\$ 6,003,983
29	\$5,181,541	\$87,826	\$33,851	\$53,974	\$5,147,690	1.06x	\$ 421,713	\$ 5,914,147
30	\$5,147,690	\$87,826	\$34,204	\$53,622	\$5,113,486	1.06x	\$ 367,739	\$ 5,824,291
31	\$5,113,486	\$87,826	\$34,560	\$53,265	\$5,078,926	1.06x	\$ 314,117	\$ 5,734,413
32	\$5,078,926	\$87,826	\$34,920	\$52,905	\$5,044,006	1.06x	\$ 260,852	\$ 5,644,513
33	\$5,044,006	\$87,826	\$35,284	\$52,542	\$5,008,722	1.06x	\$ 207,946	\$ 5,554,592
34	\$5,008,722	\$87,826	\$35,652	\$52,174	\$4,973,070	1.06x	\$ 155,405	\$ 5,464,650
35	\$4,973,070	\$87,826	\$36,023	\$51,803	\$4,937,047	1.06x	\$ 103,230	\$ 5,374,685
36	\$4,937,047	\$87,826	\$36,398	\$51,428	\$4,900,649	1.06x	\$ 51,428	\$ 5,284,698
37	\$4,900,649	\$87,826	\$36,777	\$51,048	\$4,863,872	1.06x		\$ 5,194,688
38	\$4,863,872	\$87,826	\$37,160	\$50,665	\$4,826,712	1.06x		\$ 5,155,704
39	\$4,826,712	\$87,826	\$37,547	\$50,278	\$4,789,164	1.06x		\$ 5,116,314
40	\$4,789,164	\$87,826	\$37,939	\$49,887	\$4,751,226	1.06x		\$ 5,076,514
41	\$4,751,226	\$87,826	\$38,334	\$49,492	\$4,712,892	1.06x		\$ 5,036,299
42	\$4,712,892	\$87,826	\$38,733	\$49,093	\$4,674,159	1.06x		\$ 4,995,665
43	\$4,674,159	\$87,826	\$39,137	\$48,689	\$4,635,022	1.06x		\$ 4,954,608
44	\$4,635,022	\$87,826	\$39,544	\$48,281	\$4,595,478	1.06x		\$ 4,913,124
45	\$4,595,478	\$87,826	\$39,956	\$47,870	\$4,555,522	1.06x		\$ 4,871,207
46	\$4,555,522	\$87,826	\$40,372	\$47,453	\$4,515,150	1.06x		\$ 4,828,853
47	\$4,515,150	\$87,826	\$40,793	\$47,033	\$4,474,357	1.06x		\$ 4,786,059
48	\$4,474,357	\$87,826	\$41,218	\$46,608	\$4,433,139	1.06x		\$ 4,742,818
49	\$4,433,139	\$87,826	\$41,647	\$46,179	\$4,391,492	1.05x		\$ 4,654,796
50	\$4,391,492	\$87,826	\$42,081	\$45,745	\$4,349,411	1.05x		\$ 4,611,066
51	\$4,349,411	\$87,826	\$42,519	\$45,306	\$4,306,891	1.05x		\$ 4,566,881
52	\$4,306,891	\$87,826	\$42,962	\$44,863	\$4,263,929	1.05x		\$ 4,522,236
53	\$4,263,929	\$87,826	\$43,410	\$44,416	\$4,220,519	1.05x		\$ 4,477,126
54	\$4,220,519	\$87,826	\$43,862	\$43,964	\$4,176,657	1.05x		\$ 4,431,545
55	\$4,176,657	\$87,826	\$44,319	\$43,507	\$4,132,339	1.05x		\$ 4,385,490
56	\$4,132,339	\$87,826	\$44,781	\$43,045	\$4,087,558	1.05x		\$ 4,338,955
57	\$4,087,558	\$87,826	\$45,247	\$42,579	\$4,042,311	1.05x		\$ 4,291,936
58	\$4,042,311	\$87,826	\$45,718	\$42,107	\$3,996,593	1.05x		\$ 4,244,427
59	\$3,996,593	\$87,826	\$46,195	\$41,631	\$3,950,398	1.05x		\$ 4,196,422
60	\$3,950,398	\$87,826	\$46,676	\$41,150	\$3,903,723	1.05x		\$ 4,147,918

NORDEN FINANCE INC.

Halo Exploration Ltd.

Annual Interest Rate	12.50%
Lease Funding Amount	\$6,000,000
Buyback Value at the End of the Term	\$1
Term, years	10.0
Commitment Fee	1.0% \$60,000
Monthly Fee Payment ¹	\$87,826
<small>1. All payments to occur at the beginning of the month</small>	

	A	B	C	D	E=A-C	F	G	(A * F)+G
Payment Month	Opening Principal	Capital Fee	Principal	Interest	Closing Principal	Buyout Ratio	Early Termination	Buyout Amount
61	\$3,903,723	\$87,826	\$47,162	\$40,664	\$3,856,561	1.04x		\$ 4,059,871
62	\$3,856,561	\$87,826	\$47,653	\$40,173	\$3,808,907	1.04x		\$ 4,010,823
63	\$3,808,907	\$87,826	\$48,150	\$39,676	\$3,760,758	1.04x		\$ 3,961,264
64	\$3,760,758	\$87,826	\$48,651	\$39,175	\$3,712,107	1.04x		\$ 3,911,188
65	\$3,712,107	\$87,826	\$49,158	\$38,668	\$3,662,949	1.04x		\$ 3,860,591
66	\$3,662,949	\$87,826	\$49,670	\$38,156	\$3,613,279	1.04x		\$ 3,809,467
67	\$3,613,279	\$87,826	\$50,187	\$37,638	\$3,563,091	1.04x		\$ 3,757,810
68	\$3,563,091	\$87,826	\$50,710	\$37,116	\$3,512,381	1.04x		\$ 3,705,615
69	\$3,512,381	\$87,826	\$51,238	\$36,587	\$3,461,143	1.04x		\$ 3,652,877
70	\$3,461,143	\$87,826	\$51,772	\$36,054	\$3,409,371	1.04x		\$ 3,599,589
71	\$3,409,371	\$87,826	\$52,311	\$35,514	\$3,357,059	1.04x		\$ 3,545,746
72	\$3,357,059	\$87,826	\$52,856	\$34,969	\$3,304,203	1.04x		\$ 3,491,342
73	\$3,304,203	\$87,826	\$53,407	\$34,419	\$3,250,796	1.02x		\$ 3,370,287
74	\$3,250,796	\$87,826	\$53,963	\$33,862	\$3,196,833	1.02x		\$ 3,315,812
75	\$3,196,833	\$87,826	\$54,525	\$33,300	\$3,142,308	1.02x		\$ 3,260,770
76	\$3,142,308	\$87,826	\$55,093	\$32,732	\$3,087,214	1.02x		\$ 3,205,154
77	\$3,087,214	\$87,826	\$55,667	\$32,158	\$3,031,547	1.02x		\$ 3,148,958
78	\$3,031,547	\$87,826	\$56,247	\$31,579	\$2,975,300	1.02x		\$ 3,092,178
79	\$2,975,300	\$87,826	\$56,833	\$30,993	\$2,918,467	1.02x		\$ 3,034,806
80	\$2,918,467	\$87,826	\$57,425	\$30,401	\$2,861,042	1.02x		\$ 2,976,836
81	\$2,861,042	\$87,826	\$58,023	\$29,803	\$2,803,019	1.02x		\$ 2,918,263
82	\$2,803,019	\$87,826	\$58,628	\$29,198	\$2,744,391	1.02x		\$ 2,859,079
83	\$2,744,391	\$87,826	\$59,238	\$28,587	\$2,685,153	1.02x		\$ 2,799,279
84	\$2,685,153	\$87,826	\$59,855	\$27,970	\$2,625,298	1.02x		\$ 2,738,856
85	\$2,625,298	\$87,826	\$60,479	\$27,347	\$2,564,819	1.02x		\$ 2,677,803
86	\$2,564,819	\$87,826	\$61,109	\$26,717	\$2,503,710	1.02x		\$ 2,616,115
87	\$2,503,710	\$87,826	\$61,745	\$26,080	\$2,441,964	1.02x		\$ 2,553,784
88	\$2,441,964	\$87,826	\$62,389	\$25,437	\$2,379,576	1.02x		\$ 2,490,804
89	\$2,379,576	\$87,826	\$63,038	\$24,787	\$2,316,537	1.02x		\$ 2,427,167
90	\$2,316,537	\$87,826	\$63,695	\$24,131	\$2,252,842	1.02x		\$ 2,362,868
91	\$2,252,842	\$87,826	\$64,359	\$23,467	\$2,188,484	1.02x		\$ 2,297,899
92	\$2,188,484	\$87,826	\$65,029	\$22,797	\$2,123,455	1.02x		\$ 2,232,253
93	\$2,123,455	\$87,826	\$65,706	\$22,119	\$2,057,748	1.02x		\$ 2,165,924
94	\$2,057,748	\$87,826	\$66,391	\$21,435	\$1,991,358	1.02x		\$ 2,098,903
95	\$1,991,358	\$87,826	\$67,082	\$20,743	\$1,924,275	1.02x		\$ 2,031,185
96	\$1,924,275	\$87,826	\$67,781	\$20,045	\$1,856,494	1.02x		\$ 1,962,761
97	\$1,856,494	\$87,826	\$68,487	\$19,338	\$1,788,007	1.02x		\$ 1,893,624
98	\$1,788,007	\$87,826	\$69,201	\$18,625	\$1,718,806	1.02x		\$ 1,823,767
99	\$1,718,806	\$87,826	\$69,921	\$17,904	\$1,648,885	1.02x		\$ 1,753,182
100	\$1,648,885	\$87,826	\$70,650	\$17,176	\$1,578,235	1.02x		\$ 1,681,862
101	\$1,578,235	\$87,826	\$71,386	\$16,440	\$1,506,849	1.02x		\$ 1,609,800
102	\$1,506,849	\$87,826	\$72,129	\$15,696	\$1,434,720	1.02x		\$ 1,536,986
103	\$1,434,720	\$87,826	\$72,881	\$14,945	\$1,361,839	1.02x		\$ 1,463,414
104	\$1,361,839	\$87,826	\$73,640	\$14,186	\$1,288,199	1.02x		\$ 1,389,076
105	\$1,288,199	\$87,826	\$74,407	\$13,419	\$1,213,792	1.02x		\$ 1,313,963
106	\$1,213,792	\$87,826	\$75,182	\$12,644	\$1,138,610	1.02x		\$ 1,238,068
107	\$1,138,610	\$87,826	\$75,965	\$11,861	\$1,062,645	1.02x		\$ 1,161,382
108	\$1,062,645	\$87,826	\$76,756	\$11,069	\$985,889	1.02x		\$ 1,083,898
109	\$985,889	\$87,826	\$77,556	\$10,270	\$908,333	1.02x		\$ 1,005,606
110	\$908,333	\$87,826	\$78,364	\$9,462	\$829,969	1.02x		\$ 926,499
111	\$829,969	\$87,826	\$79,180	\$8,646	\$750,788	1.02x		\$ 846,568
112	\$750,788	\$87,826	\$80,005	\$7,821	\$670,783	1.02x		\$ 765,804
113	\$670,783	\$87,826	\$80,838	\$6,987	\$589,945	1.02x		\$ 684,199
114	\$589,945	\$87,826	\$81,680	\$6,145	\$508,265	1.02x		\$ 601,744
115	\$508,265	\$87,826	\$82,531	\$5,294	\$425,733	1.02x		\$ 518,430
116	\$425,733	\$87,826	\$83,391	\$4,435	\$342,342	1.02x		\$ 434,248
117	\$342,342	\$87,826	\$84,260	\$3,566	\$258,083	1.02x		\$ 349,189
118	\$258,083	\$87,826	\$85,137	\$2,688	\$172,945	1.02x		\$ 263,244
119	\$172,945	\$87,826	\$86,024	\$1,802	\$86,921	1.02x		\$ 176,404
120	\$86,921	\$87,826	\$86,920	\$905	\$1	1.02x		\$ 88,660

Schedule "C"

Attached to and forming part of that Asset Lease Agreement dated as of March 21, 2022,
among Norden Finance Inc. and Halo Exploration Ltd.

Quarterly Reporting Certificate

To: Norden Finance Inc.
Attention: Dean Willner

I, _____, hereby certify as of the date of this certificate as follows:

- (a) I am the _____ of Halo Exploration Ltd. ("**Lessee**") and I am authorized to provide this certificate to you for and on behalf of Lessee.
- (b) This certificate applies to the fiscal period ending _____.
- (c) I am familiar with and have examined the provisions of the Asset Lease Agreement ("**Agreement**") dated March 21, 2022 between Lessee and Norden Finance Inc. ("**Lessor**"), and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of Lessee. Terms defined in the Agreement have the same meanings when used in this certificate.
- (d) I certify the _____ (quarterly / annual) financial statements provided herein are complete and true of all material effects.
- (e) There has been no Material Adverse Event.
- (f) There has been no breach of the Crown Lease or notice of breach of the Crown Lease pending or threatened.
- (g) There have been no material environmental damages, Defaults, material litigation, change of Control, any material correspondence with regulators or other relevant parties, including any legal proceedings.
- (h) Lessee has not divested of more than 30% of their assets and / or having a change of Control.
- (i) Lessee has kept each Asset in the same condition such Asset was in at the Commencement Date and is the operator of record of such Asset. Lessee has not made any alterations, modifications additions or improvements to such Asset, other than those that have been consented to in writing by Lessor. Lessee has ensured that any third party dealing with each Asset has taken appropriate care and has acted in accordance with Prudent Industry Practice when so doing.
- (j) Lessee has managed and operated its business or caused its business to be managed and operated (i) in accordance with Prudent Industry Practice in all material respects and in compliance in all material respects with the terms and provisions of all applicable licenses, leases, contracts and agreements, and (ii) in compliance with all Applicable Laws of the jurisdiction in which such businesses are carried on, and all Applicable Laws of every other Governmental Authority from time to time constituted to regulate the ownership, management and operation of such businesses.

- (k) The Assets continue to be located in the province of Alberta (the "**Location**"), except as permitted by Section 18 of the Agreement.
- (l) The Assets continue to be a critical operating asset in Lessee's business.
- (m) No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute a breach of any covenant or other term or condition of the Agreement, and there is no reason to believe that during the next fiscal quarter of Lessee, any such event or circumstance will occur.
- (n) As applicable, attached is maintenance and repair reporting, which the Agreement requires be provided by Lessee to Lessor on an annual basis.

This certificate is given by the undersigned officer in his/her capacity as an officer of Lessee without any personal liability on the part of such officer. This certificate may be executed electronically and may be delivered by email, facsimile or other functionally equivalent means.

Dated this _____ day of _____.

HALO EXPLORATION LTD.

By: _____

Name:

Title:

This is **Exhibit "D"** to the Affidavit of Nicholas Heffernan
sworn before me this 9th day of February 2026.



Notary Public/Commissioner for Oaths in and for Alberta

Stephen Kroeger
Barrister & Solicitor



Asset Lease Agreement

**Norden Finance Inc.
Lease No. NB-2209**

This Asset Lease Agreement dated for reference the 28th day of June 2022 (the “**Effective Date**”).

AMONG:

Norden Finance Inc., an Alberta corporation
at 285028 Frontier Rd., Rocky View County, AB T1X 0V9 Canada
(together with its successors and permitted assigns, “**Lessor**”)

- and -

Halo Exploration Ltd., an Alberta corporation at 400, 1333 8 Street SW, Calgary, AB T2R 1M6 Canada
(together with its successors and permitted assigns, “**Lessee**”)

WITNESSES THAT in consideration of the covenants hereinafter contained, the parties to this Asset Lease Agreement covenant and agree as follows:

1.1 Definitions

In this Asset Lease Agreement, including the Schedules, the following terms have the meanings assigned to them, unless the context otherwise requires:

- a. “**AER**” means the Alberta Energy Regulator;
- b. “**Applicable Laws**” means, with respect to any Person or property, all national, provincial, state, county, municipal and local laws including the common law and by-laws, statutes, rules, regulations, treaties, ordinances, directives, decrees, decisions and orders of any Government Authority (to the extent the Person or property is subject to the jurisdiction of such Government Authority) and policies, guidelines, and interpretations (in each case, having the force of law) made or issued by any Government Authority under any of the foregoing, in each case that are applicable from time to time to such Person or property;
- c. “**Asset Sale**” has the meaning given in Section 25;
- d. “**Assets**” means those items of personal property described in Schedule “A” and “**Asset**” refers to any one of them;
- e. “**Battery Asset**” means the Halo 03-22-65-22W5 Facility located on the Crown Lease;
- f. “**Business Day**” means any calendar day of the year, other than a Saturday, Sunday or any calendar day on which major banks are closed for business in Calgary, Alberta;
- g. “**Buyout Ratio**” means the applicable buyout ratio set out in the Buyout Ratio column in Schedule “A”;
- h. “**Collateral**” has the meaning given in Section 7;
- i. “**Commencement Date**” means the 1st calendar day of the next calendar month after the Effective Date;
- j. “**Conditional Surrender of Lease**” means a conditional surrender of lease dated as of or prior to the date hereof, among Her Majesty the Queen in right of the Province of Alberta, as represented by the Department of Environment and Sustainable Resource Development, by the “director” duly appointed under the *Public Lands Act* (Alberta), as lessor, Lessee, as lessee and Lessor, as mortgagee;

- k. **“Control”** means the possession, directly or indirectly, of (i) greater than 50% of securities having ordinary voting power for the election of directors (or persons performing similar functions) in respect of a person or entity; or (ii) the power to direct or cause the direction of the management or policies of such person or entity, whether through the ability to exercise such voting power, or by contract or otherwise;
- l. **“Crown Lease”** means the mineral surface lease dated as of October 1, 2018 and bearing disposition number MSL180811, among Lessee, as lessor and the AER, as lessee, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.
- m. **“Default”** has the meaning given in Section 28;
- n. **“Effective Date”** has the meaning given in the preamble;
- o. **“Enforcement Costs”** has the meaning given in Section 29;
- p. **“Environmental Claim”** means any Governmental Order, action, suit, demand, demand letter, claim, written notice of violation or non-compliance, written notice of liability or potential liability, investigation, proceeding, lien, fine, penalty, consent order or consent agreement by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on, or resulting from: (a) the presence, release of, or exposure to, any Hazardous Material; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law;
- q. **“Environmental Law”** means all Applicable Laws relating to human health and safety, protection of the environment, in respect of Hazardous Materials or the presence, handling, storage, disposal, shipment, packing, sale, transportation, generation, use, treatment or release of Hazardous Materials, above-ground or underground storage tanks and occupational health and safety;
- r. **“Government Authority”** means any nation or any province, state, county, territory, municipality or other political subdivision thereof, or any government, quasi-government, administrative or regulatory authority, agency, board, body, commission, instrumentality, court or tribunal thereof or any central bank (or similar monetary or regulatory authority), any tax authority, any ministry or department or agency of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, or any arbitrator or panel of arbitrators;
- s. **“Governmental Order”** means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority;
- t. **“Fees”** means the sums described as Fees in Schedule “B”;
- u. **“Hazardous Materials”** means: (a) any gasoline, petroleum or petroleum products or by-products, radioactive materials, friable asbestos or asbestos-containing materials, urea-formaldehyde insulation, polychlorinated biphenyls and radon gas; and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law;
- v. **“Indebtedness”** has the meaning given in Section 7;
- w. **“Interest-Only Period”** means the period between the Effective Date and the Commencement Date;

- x. **"Lease"** means this Asset Lease Agreement, including all its schedules and all written amendments hereto;
- y. **"Leaseops"** has the meaning given in Section 23(b);
- z. **"Lessor Indemnities"** has the meaning given in Section 26;
- aa. **"Lessor's Lien"** means any mortgage, pledge, lien, security interest, charge, encumbrance, financing statement, hypothec, prior claim, title retention or any other right or claim of any person claiming through or under or for the benefit of Lessor;
- bb. **"Lien"** means any mortgage, pledge, lien, security interest, charge, encumbrance, financing statement, hypothec, prior claim, title retention or any other right or claim of any person, other than any Lessor's Lien;
- cc. **"Liquidated Damages"** has the meaning given in Section 29;
- dd. **"loss"** has the meaning given in Section 17;
- ee. **"Location"** has the meaning given in Section 16;
- ff. **"Material Adverse Event"** means any such matter, event or circumstance that, individually or in the aggregate could be expected to have a: (a) material adverse effect on: (i) the business, assets, properties, liabilities (actual or contingent), operations or condition (financial or otherwise) of Lessee; (ii) the validity or enforceability of any of the Transaction Documents considered as a whole, including the validity, enforceability, perfection, publication, priority or rank of any Collateral created under any of the Security Documents (considered as a whole); (iii) the rights or remedies of Lender under this Lease or any other Transaction Document; or (iv) the ability of Lessee to perform any of its material obligations under this Lease or any other Transaction Document; or (b) result in a change of Control of Lessee provided, however, that commodity price decreases affecting the Canadian oil and gas industry generally for a period of 12 months or less shall not constitute a matter, event or circumstance giving rise to a Material Adverse Event.
- gg. **"Person"** means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability corporation, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns have a similarly extended meaning;
- hh. **"Pre-Commencement Interest Payment"** means the payment of interest accrued from time to time on the principal amount of the Lease outstanding at the rate of 12.5% per annum, calculated and payable monthly in arrears on the outstanding balance;
- ii. **"Product"** means the production from or associated with each Asset;
- jj. **"Production Report"** has the meaning given to it in Section 23(b);
- kk. **"Project"** means Lessee's and each Asset's associated oil and gas extraction, processing, transportation and other activities associated with Lessee or such Asset;
- ll. **"Prudent Industry Practice"** means, at a particular time, either (a) any of the practices, methods and acts engaged in or approved by a significant portion of the oil and gas industry operating in Canada at such time with respect to oil and gas extraction projects of similar scope and nature as the Project, or (b) with respect to any matter to which the practices referred to in clause (a) do not apply, any of the practices, methods and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, would have been expected to accomplish the desired result at a reasonable cost consistent with the requirements of Applicable Laws, good oil and gas industry business practices, reliability, safety and expedition, with respect to oil and gas extraction projects of similar scope and nature as the Project. "Prudent Industry Practice" is

not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts having due regard for, among other things, manufacturers' warranties, the requirements of insurance policies and the requirements of governmental bodies of competent jurisdiction;

- mm. **"Purchase Agreement"** means the Asset Purchase Agreement dated as of the date hereof, between Lessor, as purchaser, and Lessee, as vendor
- nn. **"Purchase Option"** means the right granted by Lessor to Lessee to acquire all of the Assets by paying the amount set out in the Purchase Option section of Schedule "B";
- oo. **"Security Documents"** means, collectively, this Lease and the Conditional Surrender of Lease, in each case as the same may be amended, amended and restated, supplemented or otherwise modified from time to time;
- pp. **"Term"** means a period of 120 months starting on the Commencement Date, unless earlier terminated in accordance with the terms hereof;
- qq. **"Transaction Documents"** means, collectively, the Security Documents, the Purchase Agreement and all other agreements, documents, certificates and instruments executed and delivered to Lessor by Lessee in connection therewith and **"Transaction Document"** means any one of the Transaction Documents, as applicable;

- 1.2 The following schedules attached to this Lease are incorporated in and form part of this Lease as if those schedules were contained and repeated herein:

Schedule "A"	Assets
Schedule "B"	Financial Terms and Schedule
Schedule "C"	Quarterly Reporting Certificate

2. **Lease:** For and in consideration of the payments by Lessee to Lessor as provided for herein, Lessor hereby agrees to lease each Asset to Lessee, and Lessee agrees to lease, hold, and maintain such Assets from Lessor, on the terms and conditions set forth herein for the Term specified herein.
3. **Cancellation and/or Termination:** Neither Lessee nor Lessor can cancel or terminate this Lease except as provided herein. Each party further acknowledges and agrees that clerical errors will not affect the validity of this Lease and that Lessee or Lessor may unilaterally correct the same, provided a revised copy of this Lease is furnished to the other parties.
4. **Asset Lease, Selection, and Ownership:** This Lease is a lease-to-own financing arrangement whereby Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the Assets, together with all accessories and attachments. Lessee has personally selected each Asset and Lessor has purchased such Assets at Lessee's specific request. Subject to acceptance under Section 8, Lessee acknowledges suitability of each Asset and that failure of such Asset to be delivered and installed or to operate or conform to requirements will not lessen its obligations to Lessor under this Lease. The parties agree that this Lease is a "lease for a term of more than one year" as defined in Section 1(1)(z) of the *Personal Property Security Act* (Alberta).
5. **Title:** Unless and until the Purchase Option is exercised by Lessee, including any final payout and applicable taxes and administrative fees for transferring title of the Assets to Lessee, Lessor shall retain full title to, and all property and rights to and in, each Asset. No right, title or interest in or to the Assets shall pass to Lessee other than, conditional upon Lessee's compliance with and fulfilment of the terms and conditions of this Lease, the right to quietly possess and use each Asset during the Term, until the Purchase Option has been made from Lessee to Lessor upon which all right, title and interest in and to all of the Assets shall be conveyed to Lessee. Before such time, Lessee shall not sell, offer for sale, assign, mortgage, pledge or encumber any Asset or any part thereof. Lessee shall

indemnify Lessor from and against all losses, costs, demands and expenses (including legal fees, disbursements and other costs) incurred by Lessor by reason of or in respect of the removal or attempted enforcement of any liens, charges, demands or encumbrances or any attempted or actual distress, execution or seizure of any Asset that is directly caused by any action or inaction of Lessee. At the discretion of Lessor, each Asset shall be identified as the property of Lessor through such plates or other marks as Lessor may see fit, and Lessee shall not permit any such plates or marks to be changed or removed. Unless an Asset is already attached to real estate as of the Effective Date, no Asset shall be attached to real estate in any way and each such Asset not already attached to real estate as of the Effective Date must remain moveable at all times. Notwithstanding the title considerations outlined in this Section 5, the Parties acknowledge that Lessor has never made, and does not intend to make, any operational decisions or take responsibility for operation of the Assets.

6. **No Conditional Sale; Personal Property:** It is the intention of the parties to hereby create a lease of each Asset, and not a conditional sale. To provide solely for the eventuality that a court might hold this to be a conditional sale, Lessor hereby retains a purchase money security interest to secure payment of the sales price of each Asset as determined by such court, and Lessee grants to Lessor all rights given to a secured party under the *Personal Property Security Act* (Alberta) and any other applicable legislation, in addition to Lessor's other rights hereunder. It is further the intention of the parties that each Asset not already attached to real estate as of the Effective Date shall at all times be and remain moveable personal property, notwithstanding any purpose for which such Asset may be used or that it may become affixed, attached or joined to any land or immovable property or any structure thereon. To provide solely for the eventuality that a court might hold an Asset or any of it to be a fixture, the parties state for the purpose of complying with the legal requirements that such Asset collateral is or includes fixtures.
7. **Security Interest in the Assets:** As continuing and collateral security for payment and performance of all indebtedness, liability and obligations under this Lease (the "**Indebtedness**"), and for value received, the receipt and sufficiency of which is hereby acknowledged, Lessee hereby grants, assigns, transfers, sets over, mortgages, charges and pledges to Lessor, and hereby creates a general and continuing security interest in favour of Lessor in and to all of Lessee's right, title and interest in and to the Assets, wherever located and all proceeds and personal property derived directly or indirectly from any dealing with the Assets (collectively, the "**Collateral**") and shall provide all requested authorization and cooperation to Lessor in the registration, perfection, and maintenance of such security interest in the Collateral. The security interest granted by this Lease secures payment and performance of the Indebtedness. The grant by Lessee of the security interest in the Collateral to Lessor in no way shall limit or restrict the rights and remedies of Lessor to collect and enforce collection from Lessee of any of the Indebtedness, and Lessor shall not be required or obligated to enforce its rights or remedies with respect to the Collateral before enforcing collection.

At any time and from time to time, upon the written request of Lessor, and at the sole expense of Lessee, Lessee will promptly and duly execute and deliver such further instruments and documents and take such further action as Lessor may reasonably request for the purposes of obtaining or preserving the full benefits of this Lease and of the rights and powers herein granted, including the filing or execution of any financing statements or financing change statements under any applicable law with respect to this Lease. Lessee hereby waives any right it may have to receive a financing statement, financing change statement or verification statement relating to this Lease. Without limiting the generality of the foregoing, Lessee acknowledges that this Lease has been prepared based on applicable law and Lessee agrees that Lessor will have the right, acting reasonably, to require that this Lease be amended or supplemented: (i) to reflect any changes in applicable law, whether arising as a result of statutory amendments, court decisions or otherwise; (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions; or (iii) if Lessee amalgamates with any other Person or enters into any reorganization, in each case in order to confer upon Lessor the security intended to be created hereby.

8. **Acceptance:** Lessee hereby acknowledges that it unconditionally accepts each Asset in its present condition.

9. **Term and Lease:** This Lease will start on the Effective Date and end after the number of complete calendar months designated as the Term. During the Interest-Only Period, Lessee shall be required to make the Pre-Commencement Interest Payment to Lessor, promptly upon receiving receipt of a statement from Lessor outlining such Pre-Commencement Interest Payment. Beginning on the Commencement Date, Lessee will pay the Fees in the number of lease payments as specified herein, and for each month following the expiry of the Term in which Lessee has not returned each Asset to Lessor. All lease payments will be payable on the first calendar day of each month, starting on the Commencement Date. At any time during the Term, Lessee shall, in its sole discretion, have the Purchase Option right to acquire all of the Assets by payment of the Purchase Option amount set out herein to Lessor.
10. **Payments Upon Early Termination:** Notwithstanding anything to the contrary contained herein, in the event Lessee exercises the Purchase Option with respect to the Assets prior to the date which is 36 months following the Effective Date, Lessee shall pay all amounts otherwise attributable to the Assets following the date of consummation of the Purchase Option, including all interest and principal payable up to and including the date which is 36 months after the Effective Date, plus the applicable Buyout Ratio premium, which shall not be a penalty, pursuant to the terms of this Lease for the Assets (as determined by Lessor, acting reasonably) and in accordance with Schedule "B".
11. **Cost Recovery:** Lessee shall be responsible for, and shall pay Lessor promptly upon receipt of a statement outlining, (a) all reasonable out-of-pocket expenses incurred by Lessor, including the reasonable fees, charges and disbursements of legal counsel for Lessor, in connection with the preparation, negotiation, execution, delivery and administration of this Lease, any security documents and the other agreements, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (b) all out of pocket expenses incurred by Lessor, including the fees, charges and disbursements of counsel, in connection with (i) the registration of security associated with each Asset in such places and registries as Lessor determines in its sole discretion and (ii) the ongoing monitoring of each Asset and related due diligence, (iii) the enforcement or protection of its rights against Lessee in connection with this Lease, including its rights under this Section 11, or in connection with the Fees, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Fees.
12. **Taxes:** The Fees are exclusive of goods and services tax and all other sales, use, property, excise and other taxes or charges (including any interest and penalties) now or hereafter imposed by any governmental body or agency upon each Asset or the purchase, possession, leasing, operation, use or disposition thereof hereunder, or the Fees, (excluding taxes on or measured by the net income of Lessor) any other applicable sales tax, which shall be paid by Lessee. If Lessee fails to pay such items when due, Lessor may pay such license fees, assessments, registration fees, charges or taxes, as the case may be, in which event the costs thereof shall constitute additional Fees which shall be immediately due and payable and Lessor shall be entitled to all the rights and remedies provided in this Lease or otherwise in the event of default of payment of the Fees. Lessor will be entitled to claim any applicable capital cost allowance, investment tax credit, or similar benefit under applicable tax legislation from time to time pertaining to each Assets and/or Lease and Lessee will not make any such claim in respect thereof.
13. **Overdue payments:** When Fees or other amounts owing under this Lease are not paid when due, Lessee will pay interest at the rate of 18% per annum on such unpaid amounts, calculated and compounded monthly, and payable on demand.
14. **Installation, Maintenance and Repair:** Lessee will be responsible and at Lessee's expense for the maintenance, upkeep, care, servicing and repair, including necessary replacements of parts of the Assets. Other than normal wear and tear, Lessee will at Lessee's expense keep each Asset in the same condition such Asset was in at the Commencement Date and will be the operator of record of such Asset. Lessee shall not make any alterations, modifications additions or improvements considered to be out of scope to an Asset without written consent of Lessor, provided that if such

alterations, additions or improvements conform to industry standard and do not materially decrease the market value of such Asset, such consent shall not be unreasonably withheld. All such alterations, additions, or improvements will be at Lessee's expense. Lessee will ensure that any third party dealing with each Asset takes appropriate care and acts in accordance with Prudent Industry Practice when so doing. For increased certainty, Lessee will be solely responsible for any operational decisions made with respect to such Asset.

15. **Management and Operation:** Lessee shall manage and operate its business or cause its business to be managed and operated (i) in accordance with Prudent Industry Practice in all material respects and in compliance in all material respects with the terms and provisions of all applicable licenses, leases, contracts and agreements, and (ii) in compliance with all Applicable Laws of the jurisdiction in which such businesses are carried on, and all Applicable Laws of every other Governmental Authority from time to time constituted to regulate the ownership, management and operation of such businesses.
16. **Use:** Lessee will use each Asset in a careful and prudent manner and not for any unlawful purpose and at Lessee's expense comply with all Applicable Laws, ordinances, and regulations (including Environmental Law) relating to the possession, use, or maintenance of such Asset.
17. **Loss and Damage:** Lessee will, until this Lease is terminated and all obligations hereunder are discharged in full, bear the entire risk of loss, damage, destruction, theft, seizure, or governmental taking of any Asset or any part thereof (any such case being a "loss"), regardless of whether Lessee caused such loss by any default or neglect. No loss will relieve Lessee of its obligations hereunder.
18. **Location and Inspection:** Lessee will maintain each Asset in the province of Alberta (the "Location"), and (except such Assets that by their nature are moveable, are being moved in the ordinary course of business and on a temporary basis) can only move such Asset from such Location with the prior written consent of Lessor. Lessor will have the right to enter upon Lessee's property and to inspect each Asset and maintenance, insurance, production data, reserve reports and tax records during normal business hours and upon giving reasonable prior written notice.
19. **Net Lease:** Lessee will be responsible for all costs and expenses relating to each Asset or its use, maintenance, or possession, including all taxes and all fees, charges, claims, and fines incurred arising in connection with the registration, licensing, or operation of such Asset. For greater clarity, the Fees and other amounts payable hereunder will be absolutely net to Lessor and will be free of all expenses or outgoings of any kind or nature.
20. **Insurance:** Lessee will, at its expense, place and maintain with insurers acceptable to Lessor, which will include but not be limited to:
 - (a) Property including Boiler and Machinery risk insurance on each Asset for its full replacement value (in an aggregate amount not less than \$689,770), such insurance to include Lessor as additional insured, a loss payable clause in Lessor's favour as first loss payee, and a waiver of subrogation in Lessor's favour;
 - (b) Commercial general liability and umbrella liability insurance with limits of liability equal to at least \$1,000,000 per occurrence, and such insurance will: (i) extend to all Lessee's liabilities arising out of the use or possession of each Asset, (ii) include Lessor as additional insured, and (iii) include a cross-liability provision which insures each party insured thereunder in the same manner and to the same extent as if a separate policy had been issued to each;
 - (c) business interruption insurance in an amount that will reimburse Lessee for direct or indirect loss of gross earnings attributable to all perils insured against in this Section 20, and other perils commonly insured against or attributable to prevention of access to each

Asset or the Project as a result of those perils, provided that Lessee shall obtain such insurance to Lessor's satisfaction on or before May 31, 2022; and

- (d) all insurance policies required above will contain endorsements providing that: (i) Lessor will be notified in writing 30 calendar days before a policy lapses or is materially altered or canceled; (ii) coverage will be primary and not contributory in respect to the risks and liabilities assumed by Lessee; (iii) Lessor will not be responsible for payment of any premium; (iv) Lessor may elect to have all proceeds of loss payable only to Lessor (in respect to the all-risk coverage on each Asset); and (v) show Lessor as first loss payee and additional insured. Lessee will, on request, supply certified copies of all insurance policies or other evidence satisfying these insurance covenants. During a Default, Lessor will be entitled to retain from all insurance proceeds an amount equal to the outstanding amount due and payable to Lessor by Lessee under this Lease.

21. **Lessee Representations and Covenants:** Lessee represents, warrants, and covenants throughout the Term that:

- (a) Lessee will continue to be validly incorporated (or otherwise established), organized and existing and in good standing;
- (b) each Asset shall remain free and clear of all Liens and encumbrances;
- (c) this Lease is and will continue to be the legal, valid and binding obligation of Lessee enforceable against it and effective against its creditors in accordance with its terms;
- (d) there are no pending or threatened actions or proceedings before any court, administrative agency, or other tribunal that could have a material adverse effect on Lessee;
- (e) each Asset is, and at all times shall be, a critical operating asset in Lessee's business;
- (f) Lessee has ensured that Lessee and any third party dealing with each Asset has taken appropriate care and has acted in accordance with Prudent Industry Practice when so doing;
- (g) the Crown Lease is in good standing and Lessee is not in breach of any terms therein;
- (h) Lessee will perform its obligations under the Crown Lease, including payment of rentals, royalties, Taxes or other charges in respect thereof which are necessary to maintain the Crown Lease in good standing in all respects; and
- (i) except as, in the aggregate, would not reasonably be expected to result in a Material Adverse Event:
 - (i) none of the Assets contain or previously contained, any Hazardous Materials in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could result in liability under, any Environmental Law;
 - (ii) Lessee has not received any notice of actual or alleged material violation, noncompliance or liability regarding compliance with Environmental Law or other environmental matters or with respect to any Asset, nor is there any reason to believe that any such notice will be received or is being threatened;
 - (iii) each Asset and all operation of such Asset is and formerly has been in compliance with all applicable Environmental Law, and there is no known contamination at,

under or about such Asset or violation of any Environmental Law with respect to such Asset; and

- (iv) no Environmental Claim is pending or, to its knowledge, threatened, to which Lessee is or will be a party with respect to each Asset or the operation of such Asset, nor are there any decrees or orders or other administrative or judicial requirements outstanding under any Environmental Law with respect to such Asset or the operation of such Asset.

22. **Lessor Representations and Covenants:** Lessor represents, warrants, and covenants throughout the Term that:

- (a) Lessor will continue to be validly incorporated (or otherwise established), organized and existing and in good standing;
- (b) Lessor will retain title to each Asset and, unless such Lessor's Lien does not interfere with Lessee's use of each Asset, Lessor shall keep each Asset free and clear of all Lessor's Liens; and
- (c) there are no pending or threatened actions or proceedings before any court, administrative agency, or other tribunal that could have a material adverse effect on Lessor.

23. **Reporting Obligations:** Lessee agrees to provide reporting, as is usual and customary for transactions of this nature (subject to customary materiality thresholds), including:

- (a) quarterly financial statements (unaudited, consolidated and unconsolidated) within 120 calendar days after each of the twelve fiscal month ends of each fiscal year and annual financial statements (audited and consolidated) within 180 calendar days after each fiscal year end;
- (b) on a monthly basis, within 45 calendar days of the end of each calendar month, Corporate Lease Operating Statements (the "**Leaseops**") summarizing Lessee's monthly corporate expense, income, sales and production information and forecast or explanation of any production interruptions including, but not limited to maintenance and turnarounds by Lessee or downstream parties;
- (c) notices of an Environmental Claim, other material environmental damages, Defaults, litigation that could result in the occurrence of a Material Adverse Event, change of Control, any correspondence with regulators or other relevant parties relating to the Battery Asset and which could result in environmental remediation obligations or other liability in excess of \$10,000, including any legal proceedings that could result in the occurrence of a Material Adverse Event. For increased certainty the notices listed in this Section 23(b) shall also include those which may give rise to any claim triggering the environmental indemnity given by Lessee in Section 27;
- (d) promptly upon Lessee becoming aware, and in any event within 10 calendar days, report any Material Adverse Event to Lessor. Upon the occurrence of such Material Adverse Event, Lessee covenants to:
 - (i) propose a plan to Lessor to solve or mitigate such Material Adverse Event;
 - (ii) until such plan is approved by Lessor, cooperate with Lessor to refine such plan to Lessor's satisfaction; and
 - (iii) once Lessor approves such plan, implement such plan diligently and in good faith;

- (e) within a reasonable time, and no less than 5 calendar days after Lessee's board of directors has approved any agreement binding Lessee to any act which will result in a change of Control of Lessee;
 - (f) within a reasonable time, and no less than 10 calendar days, prior to Lessee divesting of more than 30% of their assets and / or having a significant change of Control that may result in a Material Adverse Event;
 - (g) all other reports made available by or on behalf of Lessee or any of its affiliates relating in any way to an Asset, as determined by Lessee, acting reasonably, including access to management presentations, models, budgets, and lending agreements and other key documentation;
 - (h) other information as may be reasonably requested by Lessor;
 - (i) a completed Quarterly Reporting Certificate, in the form set out in Schedule "C", per the timelines set forth in this Agreement, which shall include annual maintenance, repair or similar reports relating to the Assets; and
 - (j) forthwith upon becoming aware thereof, provide written notice to Lessor, within 2 calendar days, of (i) any existing, pending or threatened breach of the Crown Lease or any amendment, termination or change thereto, and (ii) any notice and copies of any correspondence or information requests from the AER, any agent of the provincial Crown or any Governmental Authority relating to the Battery Asset and which could result in environmental remediation obligations or other liability in excess of \$10,000.
24. **Transfer of Lease:** Lessee will not sublet or part with possession or control of an Asset without prior written consent from Lessor, which, as long as this Lease is assumed in connection therewith, Lessor agrees not to unreasonably withhold.
25. **Disposal of Assets:** If Lessee is in compliance with all other provisions of this Lease and wants to sell any of the Assets (in each case, an "**Asset Sale**"), it shall inform Lessor of the particulars of such proposed Asset Sale, including details of any new equipment with which Lessee proposes to replace such disposed Asset, to be included in the scope of Asset hereunder. Provided that such new asset is of equal or greater value and is acceptable to Lessor following its diligence review, Lessor's consent shall not be unreasonably withheld and the Purchase Option in respect of such Asset shall not have occurred.
26. **Indemnity and Liability:** Lessee shall be responsible for, and shall indemnify and hold harmless Lessor and Lessor's affiliates, directors, officers, partners, employees, agents and representatives (collectively, the "**Lessor Indemnitees**") from and against, any and all loss, costs, liabilities, claims, legal proceedings, and expenses sustained or suffered by any Lessor Indemnitee or for which any Lessor Indemnitee may become liable arising from or in connection with this Lease, any license, an Asset, the manufacture, selection, purchase, ownership, delivery, possession, use, maintenance, operation, loss or return of an Asset, taxes, the recovery of claims under any insurance policy relating to an Asset, any use or operation of an Asset which infringes any patent or other industrial or intellectual property right of any person, default, Lessor's exercise of any rights or remedies hereunder or any entry or taking of possession, removal or disabling of an Asset pursuant to Section 29. Lessor will not be liable for any loss, damage, or expense of any kind or nature, whether direct, indirect or consequential, caused by an Asset or the use, maintenance, or possession thereof, by the inadequacy of an Asset or by any interruption of service or loss of use of an Asset or for any loss of business or damage whatsoever and howsoever caused.
27. **Environmental Indemnity:** In addition to any other indemnity of Lessee to Lessor under this or any other agreement, Lessee shall indemnify and hold harmless Lessor from and against any and all

claims, including Environmental Claims, suits, actions, debts, damages, costs, losses, liabilities, penalties, obligations, judgments, charges, expenses and disbursements (including all reasonable legal fees and disbursements on a solicitor and his own client basis) of any nature whatsoever, suffered or incurred by Lessor in connection with this Agreement or any Asset Lease, or otherwise howsoever, with respect to (a) any Environmental Claims relating to each Asset arising under any Environmental Law or permits relating to environmental matters contained in Applicable Laws as a result of the past, present or future operations of Lessee relating to such Assets, Product or Project, (b) any other failure of Lessee to comply with any requirements of Environmental Law, and (c) the discharge, emission, spill, radiation or disposal by a Person of any Hazardous Material into or upon any land, the atmosphere, or any watercourse or body of water; including the costs of defending, counterclaiming or claiming against third parties in respect of any action or matter and any cost, liability or damage arising out of a settlement entered into by Lessor of any such action or matter, including in each case any liabilities arising as a result of the indemnity covering Environmental Claims given to any Person by Lessor or a receiver, interim receiver, receiver manager or similar Person appointed hereunder or under Applicable Laws. In each case, the provisions of this Section 27 shall survive the termination or expiry of this Lease.

28. **Default:** Lessee is in default under this Lease (a “**Default**”) if:

- (a) Lessee fails to pay any Fees or any other amount due under this Lease within 15 calendar days of Lessor providing written notice that such Fees or other amounts are due and owing and in default; or
- (b) Unless otherwise contemplated in this Section 28, Lessee breaches in any material respect any of the representations or covenants made by Lessee under this Lease which is not cured within 30 days of such breach occurring or arising; provided, however where the breached representation or covenant, by its nature, cannot be reasonably cured in such 30 day period and Lessee has diligently and continually made efforts to cure, or cause to be cured, such default, the cure period shall be extended to such reasonable period of time as mutually agreed by Lessor and Lessee; or
- (c) Lessee grants a Lien on any part of an Asset or attempts to sell an Asset or assigns this Lease without the written consent of Lessor; or
- (d) There occurs and is continuing a Material Adverse Event for which: (i) Lessor becomes aware; or (ii) Lessee notifies Lessor, and upon the earlier of either:
 - (i) Lessee failing to comply with any of its obligations to propose, refine to Lessor’s satisfaction and implement, a plan to solve or mitigate such Material Adverse Event in accordance with Section 23(d); or
 - (ii) after 15 calendar days, or such longer period of time as Lessor reasonably agrees to, in Lessor’s sole discretion in light of the nature and severity of such Material Adverse Event.
- (e) Lessee fails to deliver the Leaseops when due or the Leaseops fail to demonstrate to Lessor’s satisfaction that Lessee’s producing day average exceeds 500 barrel of oil equivalent/day; or
- (f) There is an existing, pending or threatened termination or assignment of the Crown Lease; or
- (g) Lessee makes any assignment for the benefit of its creditors, becomes insolvent, commits any act of bankruptcy, takes any action to wind-up or dissolve, cease or threaten to cease

to do business as a going concern, is subject to a change in control in fact or in law or seeks any arrangement or composition with its creditors; or

- (h) any proceeding in bankruptcy, receivership, winding-up, dissolution, liquidation, or insolvency is commenced by or against Lessee or its property; or
- (i) without the written consent of Lessor which consent shall not be unreasonably withheld, any dealing, issuing or transferring of shares, units, memberships or interests of Lessee or any of its affiliates results in a change of Control of Lessee; or
- (j) Lessee fails to perform or comply with any obligation under this Lease (other than those described in clause (a), (b), (c), (d), (e), (f), (g), (h) or (i) above) within 15 calendar days of Lessor providing written notice of such failure.

29. **Effect of Default; Damages:** Lessor's loss upon a Default depends in part on the cost of each Asset, the Term, and Lessor's minimum expected return from the sale and re-lease of each Asset at the end of the Term. Upon any Default and in addition to Lessor's other rights and remedies under this Lease and otherwise available at law or in equity:

- (a) Lessee shall pay forthwith (with notice) as liquidated damages, and not as a penalty, an amount (the "**Liquidated Damages**") equal to the aggregate of:
 - (i) lease payments and other amounts payable hereunder unpaid as of the date of the Default, and
 - (ii) the present value (calculated on the basis of an interest rate of three percent (3%) per annum calculated and compounded monthly) of: (A) the lesser of i) the amount due upon the immediately preceding Purchase Option or ii) remaining lease payments payable from the date of Default to the end of the Term, and (B) amounts otherwise payable under the Lease to the end of the Term, and
 - (iii) any Enforcement Costs incurred by Lessor, and
 - (iv) interest thereon from the date of Default until payment has been received in full by Lessor. To the extent that the Liquidated Damages are deemed to include any taxes which Lessor is required to remit to any taxation authority, the Liquidated Damages will be increased by the amount necessary to ensure that the net amount of the Liquidated Damages retained by Lessor after remitting all applicable taxes will be equal to the amount calculated above;
- (b) upon demand by Lessor, at Lessee's expense Lessee will return each Asset in its original condition, other than normal wear and tear. Upon return of an Asset the parties will complete a joint inspection of such Asset. If, upon return of such Asset, the parties disagree on whether and to what extent such Asset requires repairs other than repairs caused by normal wear and tear, the parties will use all commercially reasonable efforts to resolve the disagreement using an agreed-upon independent expert whose cost will be split evenly by both parties.
- (c) Lessor may, with prior notice to Lessee, disable or repossess an Asset; and
- (d) Lessee's rights hereunder in respect of each Asset will cease and terminate absolutely.

Lessor's rights and remedies, either under this Lease or at law or in equity or otherwise afforded to us, are cumulative and not alternative. Upon demand, Lessee will pay all of the costs and expenses incurred by Lessor as a result of a Default ("**Enforcement Costs**") (including all costs and expenses

in respect of collection, repossession, repair of an Asset, enforcement of our rights and remedies, sale and re-lease costs and other realization costs), with interest accruing thereon from the date such costs and expenses were incurred until payment in full.

30. **Effect of Material Adverse Event:** Upon a Default under Section 28(d) and in addition to Lessor's other rights and remedies under this Lease and otherwise available at law or in equity, Lessor may, upon providing written notice to Lessee that a Material Adverse Event has occurred, immediately terminate this Lease, seize the Collateral and exercise any other remedies it has under the Transaction Documents or at law.
31. **Sale on Default:** Lessor may after Default sell, re-lease or otherwise dispose of any Asset at public or private sale upon at least 14 calendar days' written notice, to Lessee and upon such terms and in such manner as Lessor may determine. Lessee will thereafter continue to be liable for the amount of any deficiency between the proceeds from such disposition and the Liquidated Damages. If at any time after Default Lessee pays Liquidated Damages and all applicable taxes, title of each Asset will be transferred to Lessee on an "as is, where is" basis without any condition, representation or warranty whatsoever.
32. **Effect of Waiver:** No delay in exercising, or failure to exercise, any right or remedy accruing to us under this Lease will impair or waive such right or remedy, nor will a waiver of any single Default be deemed a waiver of any other prior, subsequent or concurrent Default. Any waiver, permit, consent or approval on our part in respect of this Lease must be in writing and will have effect only to the extent specifically set forth in such writing.
33. **Lessor Warranties:** Lessor warrants that on the Commencement Date, Lessor owns and is permitted to lease each Asset to Lessee. In addition, Lessor warrants that no payments made to Lessor under this Lease will be used by Lessor in violation of any law applicable to Lessor concerning or relating to bribery or money laundering. In the event that Lessor breaches this Section 33, Lessee shall be entitled to terminate this Lease, in which event Lessee shall have no further obligations hereunder, other than the obligation to pay all outstanding amounts that are due and payable as of the date of termination. Lessee acknowledges that there are no promises, inducements, representations, collateral warranties, warranties, conditions, options or terms, oral or written, express or implied, made by or on behalf of Lessor or operating in favour of Lessee with respect to any aspect of each Asset (including, without limitation, its condition, design, capabilities, operation, use, suitability, fitness, durability, quality, merchantability or history) except as expressly set out in this Lease. Lessor shall not be liable to Lessee for any loss, cost, expense or damage of any kind or nature whatever caused directly or indirectly by an Asset or the use, operation, ownership, or maintenance of it, or for any loss of business or other damages whatsoever and howsoever caused.
34. **Lessee Covenants:** The licensing and registration of, and obtaining any necessary inspections and certifications prior to operating, each Asset and all related costs and obligations will be the sole responsibility of Lessee, provided that Lessor shall provide any reasonable assistance requested by Lessee in complying with such obligations.
35. **Return of Assets:** At the expiry of the Term, unless a Default has occurred and is continuing, all rights and interests in each Asset will be transferred to Lessee at a total cost of \$1 and such Assets will be free of all Lessor's Liens.
36. **Filings:** Lessor may file or record this Lease and any Schedules in original or true form, a financing or financing change statement or any other notice in respect thereof or any appropriate document with appropriate offices of public record in any jurisdiction where an Asset may at any time be located or where Lessee may be resident or carry on business. Lessor agrees to provide copies of any such filings to Lessee. Lessee agrees to do all things and execute all documents that, in Lessor's reasonable opinion, are necessary or desirable to protect Lessor's interest in the equipment, including the execution of financing or financing change statements. If Lessee, upon request by Lessor, fails to forthwith execute any such financing or financing change statement, notice or other document,

Lessor may execute the same in the name of and on behalf of Lessee. Lessee hereby irrevocably appoints Lessor as its attorney for such purposes. In effecting any such filing or recording, Lessor shall be acting out of prudence only, and Lessor does not and shall not be deemed to thereby admit that this Lease or any Schedule is not a true lease or that this Lease or any Schedule is in substance a security agreement securing a lien in its favour on each Asset.

37. **Name Change, etc.:** Lessee will promptly, and in each case within five 5 calendar days thereof, notify Lessor in writing of: (a) any change in name; (b) any transfer, authorized or unauthorized, of any interest in or benefit from an Asset; (c) any change, authorized or unauthorized, in the location of an Asset; and (d) any change in the location of Lessee's chief executive office or any place of business (including any additional places of business).

38. **Notices:**

All notices required or permitted hereunder must be in writing. Any notice to be given hereunder will be deemed to be served properly if served in any of the following modes.

- (a) By delivering the notice to the Party at their address for service, and such notices will be deemed received when actually delivered, provided that such delivery is during normal business hours on any Business Day. If not delivered on a Business Day or after normal business hours, delivery will be deemed at the commencement of the next Business Day.
- (b) By any electronic means by which a written message may be sent to the a party's address for service, and such notice will be deemed received by the addressee when actually received, if received within normal business hours on any Business Day, or at the commencement of the next Business Day if the notice is not received during such normal business hours.
- (c) By mailing it first class to the Party at that Party's address for service, and such notices will be deemed received by the addressee at noon, local time, on the earlier of the actual date of receipt or the fourth Business Day following mailing.

The address for service and e-mail address for each of the Parties is:

Lessor:

Norden Finance Inc.
285028 Frontier Rd.
Rocky View County, AB, Canada T1X 0V9
Attention: Dean Willner – dwillner@northbasefinance.com

With a copy to:

Danusia Mielnik – dmielnik@northbasefinance.com

Lessee:

Halo Exploration Ltd.
400, 1333 8 Street SW
Calgary, AB, Canada T2R 1M6
Attention: Geoffrey Cain – gcain@haloexp.com

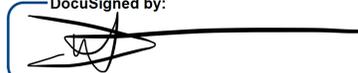
A party may change its address for service by notice to the other parties, and such changed address for service thereafter will be effective for all purposes of this Lease.

39. **Survival:** Notwithstanding any other sections hereof, all of Lessee's obligations and all of Lessor's rights and remedies hereunder will survive the termination of this Lease and the receipt of all lease payments and other amounts payable by Lessee hereunder.
40. **Currency:** All dollar amounts referred to herein are expressed as the lawful currency of Canada.
41. **Governing Law:** The laws of the Province of Alberta and the federal laws of Canada applicable therein govern all matters arising under this Lease. The courts of the Province of Alberta have exclusive jurisdiction in respect of all matters arising out of this Lease. Each Party hereby waives, to the fullest extent permitted by law, any right it may have to a trial by jury in all legal proceedings arising out of or relating to this Lease. Each party certifies that no representative, agent or attorney of any other party has represented to it, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver, and acknowledges that it and the other parties have been induced to enter into this Lease by, among other things, the mutual waivers and certifications in this Section 41.
42. **Entire Agreement; PO Terms of No Effect:** This Lease constitutes the entire agreement of the parties concerning its subject matter and no other representation, warranties or agreements, either oral or written, shall be binding upon Lessee or Lessor. This Lease supersedes and invalidates all prior agreements, understandings, negotiations, representations and warranties, whether oral or written, with respect thereto. The terms of this Lease shall supersede any terms attached to any Lessee purchase orders, which terms shall not be applicable to this Lease or to the rental of any Assets and which shall not be considered to be exceptions to the provisions of this Lease.
43. **Authorized Execution:** Lessee has read, understands, and accepts this Lease and hereby affirms that the signatory hereto is authorized to execute this Lease.
44. **Assignment:** Lessor may assign this Lease and the rights and obligations hereunder, in whole or in part, to a third party without the prior written consent of Lessee. Lessee may not assign this Lease nor any of the rights and obligations hereunder, in whole or in part, without the prior written consent of Lessor, which may be withheld or granted in Lessor's sole discretion.
45. **No Other Agreements:** Lessee confirms and acknowledges: (a) that there are no separate maintenance, service, or other agreements which attach to the Lease and for which payments are included in the regular payments; (b) that the essential element of this Lease is equipment lease only; and (c) that Lessee authorizes Lessor to pay the vendor(s) for the equipment and to commence the Lease on the date Lessor shall establish.
46. **Counterpart Execution:** This Lease may be executed in any number of counterparts with the same effect as if all signatories to the counterparts had signed one document, provided that neither Party is bound to this Lease until both Parties have executed a counterpart. All such counterparts will together constitute and be construed as one instrument. For avoidance of doubt, a signed counterpart provided by way of facsimile transmission, e-mail transmission of Adobe Acrobat PDF files, or other electronic means will be as binding upon the Parties as an originally signed counterpart

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have executed this Asset Lease Agreement as of the date first written above.

NORDEN FINANCE INC.

DocuSigned by:

Per: _____
Name: Dean Willner
Title: President and Chief Executive Officer

HALO EXPLORATION LTD.

DocuSigned by:

Per: _____
Name: Geoffrey Cain
Title: President and Chief Executive Officer

Schedule "A"

Attached to and forming part of that Asset Lease Agreement dated as of June 28, 2022,
among Norden Finance Inc. and Halo Exploration Ltd.

Assets

Unit # C-513 RF2

Compass sweet gas package consisting of:

- Ariel JGJ/2 two throw, two stage natural gas compressor
- STAGE 1: One (1) 8.00" x 3.00" stroke cylinder rated 800 psig
- STAGE 2: One (1) 5.50" x 3.00" stroke cylinder rated at 1725 psig
- Waukesha F18GL natural gas engine rated 400 bhp @ 1800 rpm
- Air-X model 93 AVI induced draft cooler assembly
- MicroLogix based control panel c/w accessories

Schedule "B"

Attached to and forming part of that Asset Lease Agreement dated as of June 28, 2022, among Norden Finance Inc. and Halo Exploration Ltd.

Financial Terms and Schedule

NORDEN FINANCE INC.

HALO EXPLORATION LTD.

Annual Interest Rate	12.50%
Lease Funding Amount	\$551,816
Buyback Value at the End of the Term	\$1
Term, years	10.0
Commitment Fee	1.0% \$5,518
Monthly Fee Payment ¹:	\$8,077

1. All payments to occur at the beginning of the month

Payment Month	A Opening Principal	B Capital Fee	C Principal	D Interest	E=A-C Closing Principal	F Buyout Ratio	G Early Termination	(A + F)+G Buyout Amount
1	\$551,816	\$8,077	\$2,329	\$5,748	\$549,487	1.06x	\$ 189,675	\$ 774,600
2	\$549,487	\$8,077	\$2,353	\$5,724	\$547,133	1.06x	\$ 183,927	\$ 766,383
3	\$547,133	\$8,077	\$2,378	\$5,699	\$544,755	1.06x	\$ 178,203	\$ 758,165
4	\$544,755	\$8,077	\$2,403	\$5,675	\$542,353	1.06x	\$ 172,504	\$ 749,945
5	\$542,353	\$8,077	\$2,428	\$5,650	\$539,925	1.06x	\$ 166,829	\$ 741,723
6	\$539,925	\$8,077	\$2,453	\$5,624	\$537,472	1.06x	\$ 161,180	\$ 733,500
7	\$537,472	\$8,077	\$2,479	\$5,599	\$534,993	1.06x	\$ 155,556	\$ 725,276
8	\$534,993	\$8,077	\$2,504	\$5,573	\$532,489	1.06x	\$ 149,957	\$ 717,050
9	\$532,489	\$8,077	\$2,531	\$5,547	\$529,958	1.06x	\$ 144,384	\$ 708,822
10	\$529,958	\$8,077	\$2,557	\$5,520	\$527,401	1.06x	\$ 138,837	\$ 700,593
11	\$527,401	\$8,077	\$2,584	\$5,494	\$524,818	1.06x	\$ 133,317	\$ 692,363
12	\$524,818	\$8,077	\$2,610	\$5,467	\$522,208	1.06x	\$ 127,823	\$ 684,130
13	\$522,208	\$8,077	\$2,638	\$5,440	\$519,570	1.06x	\$ 122,356	\$ 675,896
14	\$519,570	\$8,077	\$2,665	\$5,412	\$516,905	1.06x	\$ 116,917	\$ 667,661
15	\$516,905	\$8,077	\$2,693	\$5,384	\$514,212	1.06x	\$ 111,505	\$ 659,424
16	\$514,212	\$8,077	\$2,721	\$5,356	\$511,491	1.06x	\$ 106,120	\$ 651,185
17	\$511,491	\$8,077	\$2,749	\$5,328	\$508,742	1.06x	\$ 100,764	\$ 642,944
18	\$508,742	\$8,077	\$2,778	\$5,299	\$505,964	1.06x	\$ 95,436	\$ 634,702
19	\$505,964	\$8,077	\$2,807	\$5,270	\$503,157	1.06x	\$ 90,136	\$ 626,458
20	\$503,157	\$8,077	\$2,836	\$5,241	\$500,321	1.06x	\$ 84,866	\$ 618,213
21	\$500,321	\$8,077	\$2,866	\$5,212	\$497,456	1.06x	\$ 79,625	\$ 609,965
22	\$497,456	\$8,077	\$2,895	\$5,182	\$494,560	1.06x	\$ 74,413	\$ 601,716
23	\$494,560	\$8,077	\$2,926	\$5,152	\$491,635	1.06x	\$ 69,231	\$ 593,465
24	\$491,635	\$8,077	\$2,956	\$5,121	\$488,678	1.06x	\$ 64,080	\$ 585,212
25	\$488,678	\$8,077	\$2,987	\$5,090	\$485,692	1.06x	\$ 58,958	\$ 576,958
26	\$485,692	\$8,077	\$3,018	\$5,059	\$482,674	1.06x	\$ 53,868	\$ 568,701
27	\$482,674	\$8,077	\$3,049	\$5,028	\$479,624	1.06x	\$ 48,809	\$ 560,443
28	\$479,624	\$8,077	\$3,081	\$4,996	\$476,543	1.06x	\$ 43,781	\$ 552,182
29	\$476,543	\$8,077	\$3,113	\$4,964	\$473,430	1.06x	\$ 38,785	\$ 543,926
30	\$473,430	\$8,077	\$3,146	\$4,932	\$470,284	1.06x	\$ 33,821	\$ 535,656
31	\$470,284	\$8,077	\$3,178	\$4,899	\$467,106	1.06x	\$ 28,889	\$ 527,390
32	\$467,106	\$8,077	\$3,212	\$4,866	\$463,894	1.06x	\$ 23,990	\$ 519,122
33	\$463,894	\$8,077	\$3,245	\$4,832	\$460,649	1.06x	\$ 19,125	\$ 510,852
34	\$460,649	\$8,077	\$3,279	\$4,798	\$457,370	1.06x	\$ 14,292	\$ 502,580
35	\$457,370	\$8,077	\$3,313	\$4,764	\$454,057	1.06x	\$ 9,494	\$ 494,306
36	\$454,057	\$8,077	\$3,348	\$4,730	\$450,710	1.06x	\$ 4,730	\$ 486,030
37	\$450,710	\$8,077	\$3,382	\$4,695	\$447,327	1.06x		\$ 477,752
38	\$447,327	\$8,077	\$3,418	\$4,660	\$443,910	1.06x		\$ 474,167
39	\$443,910	\$8,077	\$3,453	\$4,624	\$440,456	1.06x		\$ 470,544
40	\$440,456	\$8,077	\$3,489	\$4,588	\$436,967	1.06x		\$ 466,884
41	\$436,967	\$8,077	\$3,526	\$4,552	\$433,442	1.06x		\$ 463,185
42	\$433,442	\$8,077	\$3,562	\$4,515	\$429,879	1.06x		\$ 459,448
43	\$429,879	\$8,077	\$3,599	\$4,478	\$426,280	1.06x		\$ 455,672
44	\$426,280	\$8,077	\$3,637	\$4,440	\$422,643	1.06x		\$ 451,857
45	\$422,643	\$8,077	\$3,675	\$4,403	\$418,969	1.06x		\$ 448,002
46	\$418,969	\$8,077	\$3,713	\$4,364	\$415,256	1.06x		\$ 444,107
47	\$415,256	\$8,077	\$3,752	\$4,326	\$411,504	1.06x		\$ 440,171
48	\$411,504	\$8,077	\$3,791	\$4,286	\$407,713	1.06x		\$ 436,194
49	\$407,713	\$8,077	\$3,830	\$4,247	\$403,883	1.05x		\$ 428,099
50	\$403,883	\$8,077	\$3,870	\$4,207	\$400,013	1.05x		\$ 424,077
51	\$400,013	\$8,077	\$3,910	\$4,167	\$396,102	1.05x		\$ 420,013
52	\$396,102	\$8,077	\$3,951	\$4,126	\$392,151	1.05x		\$ 415,907
53	\$392,151	\$8,077	\$3,992	\$4,085	\$388,159	1.05x		\$ 411,759
54	\$388,159	\$8,077	\$4,034	\$4,043	\$384,125	1.05x		\$ 407,567
55	\$384,125	\$8,077	\$4,076	\$4,001	\$380,049	1.05x		\$ 403,331
56	\$380,049	\$8,077	\$4,118	\$3,959	\$375,930	1.05x		\$ 399,051
57	\$375,930	\$8,077	\$4,161	\$3,916	\$371,769	1.05x		\$ 394,727
58	\$371,769	\$8,077	\$4,205	\$3,873	\$367,564	1.05x		\$ 390,357
59	\$367,564	\$8,077	\$4,248	\$3,829	\$363,316	1.05x		\$ 385,942
60	\$363,316	\$8,077	\$4,293	\$3,785	\$359,023	1.05x		\$ 381,482

NORDEN FINANCE INC.

HALO EXPLORATION LTD.

Annual Interest Rate	12.50%
Lease Funding Amount	\$551,816
Buyback Value at the End of the Term	\$1
Term, years	10.0
Commitment Fee	1.0% \$5,518
Monthly Fee Payment ¹:	\$8,077

1. All payments to occur at the beginning of the month

Payment Month	A Opening Principal	B Capital Fee	C Principal	D Interest	E=A-C Closing Principal	F Buyout Ratio	G Early Termination	(A * F)+G Buyout Amount
61	\$359,023	\$8,077	\$4,337	\$3,740	\$354,686	1.04x		\$ 373,384
62	\$354,686	\$8,077	\$4,383	\$3,695	\$350,303	1.04x		\$ 368,873
63	\$350,303	\$8,077	\$4,428	\$3,649	\$345,875	1.04x		\$ 364,315
64	\$345,875	\$8,077	\$4,474	\$3,603	\$341,400	1.04x		\$ 359,710
65	\$341,400	\$8,077	\$4,521	\$3,556	\$336,879	1.04x		\$ 355,056
66	\$336,879	\$8,077	\$4,568	\$3,509	\$332,311	1.04x		\$ 350,354
67	\$332,311	\$8,077	\$4,616	\$3,462	\$327,696	1.04x		\$ 345,604
68	\$327,696	\$8,077	\$4,664	\$3,413	\$323,032	1.04x		\$ 340,803
69	\$323,032	\$8,077	\$4,712	\$3,365	\$318,319	1.04x		\$ 335,953
70	\$318,319	\$8,077	\$4,761	\$3,316	\$313,558	1.04x		\$ 331,052
71	\$313,558	\$8,077	\$4,811	\$3,266	\$308,747	1.04x		\$ 326,100
72	\$308,747	\$8,077	\$4,861	\$3,216	\$303,886	1.04x		\$ 321,097
73	\$303,886	\$8,077	\$4,912	\$3,165	\$298,974	1.02x		\$ 309,963
74	\$298,974	\$8,077	\$4,963	\$3,114	\$294,011	1.02x		\$ 304,953
75	\$294,011	\$8,077	\$5,015	\$3,063	\$288,996	1.02x		\$ 299,891
76	\$288,996	\$8,077	\$5,067	\$3,010	\$283,929	1.02x		\$ 294,776
77	\$283,929	\$8,077	\$5,120	\$2,958	\$278,810	1.02x		\$ 289,608
78	\$278,810	\$8,077	\$5,173	\$2,904	\$273,637	1.02x		\$ 284,386
79	\$273,637	\$8,077	\$5,227	\$2,850	\$268,410	1.02x		\$ 279,110
80	\$268,410	\$8,077	\$5,281	\$2,796	\$263,129	1.02x		\$ 273,778
81	\$263,129	\$8,077	\$5,336	\$2,741	\$257,792	1.02x		\$ 268,391
82	\$257,792	\$8,077	\$5,392	\$2,685	\$252,400	1.02x		\$ 262,948
83	\$252,400	\$8,077	\$5,448	\$2,629	\$246,952	1.02x		\$ 257,448
84	\$246,952	\$8,077	\$5,505	\$2,572	\$241,447	1.02x		\$ 251,891
85	\$241,447	\$8,077	\$5,562	\$2,515	\$235,885	1.02x		\$ 246,276
86	\$235,885	\$8,077	\$5,620	\$2,457	\$230,265	1.02x		\$ 240,603
87	\$230,265	\$8,077	\$5,679	\$2,399	\$224,586	1.02x		\$ 234,870
88	\$224,586	\$8,077	\$5,738	\$2,339	\$218,849	1.02x		\$ 229,078
89	\$218,849	\$8,077	\$5,798	\$2,280	\$213,051	1.02x		\$ 223,226
90	\$213,051	\$8,077	\$5,858	\$2,219	\$207,193	1.02x		\$ 217,312
91	\$207,193	\$8,077	\$5,919	\$2,158	\$201,274	1.02x		\$ 211,337
92	\$201,274	\$8,077	\$5,981	\$2,097	\$195,293	1.02x		\$ 205,299
93	\$195,293	\$8,077	\$6,043	\$2,034	\$189,250	1.02x		\$ 199,199
94	\$189,250	\$8,077	\$6,106	\$1,971	\$183,144	1.02x		\$ 193,035
95	\$183,144	\$8,077	\$6,170	\$1,908	\$176,975	1.02x		\$ 186,807
96	\$176,975	\$8,077	\$6,234	\$1,843	\$170,741	1.02x		\$ 180,514
97	\$170,741	\$8,077	\$6,299	\$1,779	\$164,442	1.02x		\$ 174,156
98	\$164,442	\$8,077	\$6,364	\$1,713	\$158,078	1.02x		\$ 167,731
99	\$158,078	\$8,077	\$6,431	\$1,647	\$151,647	1.02x		\$ 161,240
100	\$151,647	\$8,077	\$6,498	\$1,580	\$145,150	1.02x		\$ 154,680
101	\$145,150	\$8,077	\$6,565	\$1,512	\$138,585	1.02x		\$ 148,053
102	\$138,585	\$8,077	\$6,634	\$1,444	\$131,951	1.02x		\$ 141,356
103	\$131,951	\$8,077	\$6,703	\$1,374	\$125,248	1.02x		\$ 134,590
104	\$125,248	\$8,077	\$6,773	\$1,305	\$118,476	1.02x		\$ 127,753
105	\$118,476	\$8,077	\$6,843	\$1,234	\$111,632	1.02x		\$ 120,845
106	\$111,632	\$8,077	\$6,914	\$1,163	\$104,718	1.02x		\$ 113,865
107	\$104,718	\$8,077	\$6,986	\$1,091	\$97,732	1.02x		\$ 106,812
108	\$97,732	\$8,077	\$7,059	\$1,018	\$90,672	1.02x		\$ 99,686
109	\$90,672	\$8,077	\$7,133	\$945	\$83,540	1.02x		\$ 92,486
110	\$83,540	\$8,077	\$7,207	\$870	\$76,332	1.02x		\$ 85,210
111	\$76,332	\$8,077	\$7,282	\$795	\$69,050	1.02x		\$ 77,859
112	\$69,050	\$8,077	\$7,358	\$719	\$61,692	1.02x		\$ 70,431
113	\$61,692	\$8,077	\$7,435	\$643	\$54,258	1.02x		\$ 62,926
114	\$54,258	\$8,077	\$7,512	\$565	\$46,746	1.02x		\$ 55,343
115	\$46,746	\$8,077	\$7,590	\$487	\$39,155	1.02x		\$ 47,681
116	\$39,155	\$8,077	\$7,669	\$408	\$31,486	1.02x		\$ 39,938
117	\$31,486	\$8,077	\$7,749	\$328	\$23,737	1.02x		\$ 32,116
118	\$23,737	\$8,077	\$7,830	\$247	\$15,907	1.02x		\$ 24,211
119	\$15,907	\$8,077	\$7,912	\$166	\$7,995	1.02x		\$ 16,225
120	\$7,995	\$8,077	\$7,994	\$83	\$1	1.02x		\$ 8,155

Option to Purchase.

- (a) Lessor hereby grants to Lessee the right and option (the "Purchase Option"), on any date, upon sixty (60) calendar days' prior written notice to Lessor or such earlier notice period as may be agreed upon between Lessor and Lessee, to purchase the Assets in their entirety at a price determined in accordance with the applicable amount listed in the column entitled "Buyout Amount" of the repayment table in this Schedule "B" (the "Buyout Amount").
- (b) The Purchase Option shall be subject to the conditions that: (a) Lessee is not in Default under the Lease, and (b) all Fees have been paid prior to the date of Lessee's exercise of the Purchase Option.
- (c) Upon Lessee's exercise of the Purchase Option granted herein, Lessor will, upon payment of the Buyout Amount and all other amounts due to Lessor by Lessee, deliver or cause to be delivered to Lessee, documents conveying to Lessee all of Lessor's title to the Assets being purchased free and clear of all liens and Liens but otherwise on an as-is, where-is basis; and this Lease shall be deemed terminated as of the date thereof.
- (d) Nothing contained herein shall be construed to provide that Lessee shall be under any obligation to exercise the Purchase Option, or under any obligation respecting the creditors, members or security holders of Lessor.

Schedule "C"

Attached to and forming part of that Asset Lease Agreement dated as of June 28, 2022,
among Norden Finance Inc. and Halo Exploration Ltd.

Quarterly Reporting Certificate

To: Norden Finance Inc.
Attention: Dean Willner

I, _____, hereby certify as of the date of this certificate as follows:

- (a) I am the _____ of Halo Exploration Ltd. ("**Lessee**") and I am authorized to provide this certificate to you for and on behalf of Lessee.
- (b) This certificate applies to the fiscal period ending _____.
- (c) I am familiar with and have examined the provisions of the Asset Lease Agreement ("**Agreement**") dated June 28, 2022 between Lessee and Norden Finance Inc. ("**Lessor**"), and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of Lessee. Terms defined in the Agreement have the same meanings when used in this certificate.
- (d) I certify the _____ (quarterly / annual) financial statements provided herein are complete and true of all material effects.
- (e) There has been no Material Adverse Event.
- (f) There has been no breach of the Crown Lease or notice of breach of the Crown Lease pending or threatened.
- (g) There have been no material environmental damages, Defaults, material litigation, change of Control, any material correspondence with regulators or other relevant parties, including any legal proceedings.
- (h) Lessee has not divested of more than 30% of their assets and / or having a change of Control.
- (i) Lessee has kept each Asset in the same condition such Asset was in at the Commencement Date and is the operator of record of such Asset. Lessee has not made any alterations, modifications additions or improvements to such Asset, other than those that have been consented to in writing by Lessor. Lessee has ensured that any third party dealing with each Asset has taken appropriate care and has acted in accordance with Prudent Industry Practice when so doing.
- (j) Lessee has managed and operated its business or caused its business to be managed and operated (i) in accordance with Prudent Industry Practice in all material respects and in compliance in all material respects with the terms and provisions of all applicable licenses, leases, contracts and agreements, and (ii) in compliance with all Applicable Laws of the jurisdiction in which such businesses are carried on, and all Applicable Laws of every other Governmental Authority from time to time constituted to regulate the ownership, management and operation of such businesses.

- (k) The Assets continue to be located in the province of Alberta (the "**Location**"), except as permitted by Section 18 of the Agreement.
- (l) The Assets continue to be a critical operating asset in Lessee's business.
- (m) No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute a breach of any covenant or other term or condition of the Agreement, and there is no reason to believe that during the next fiscal quarter of Lessee, any such event or circumstance will occur.
- (n) As applicable, attached is maintenance and repair reporting, which the Agreement requires be provided by Lessee to Lessor on an annual basis.

This certificate is given by the undersigned officer in his/her capacity as an officer of Lessee without any personal liability on the part of such officer. This certificate may be executed electronically and may be delivered by email, facsimile or other functionally equivalent means.

Dated this _____ day of _____.

HALO EXPLORATION LTD.

By: DocuSigned by:
Geoffrey Cain
59185987EDFD441...
Name: _____
Title:

This is **Exhibit "E"** to the Affidavit of Nicholas Heffernan
sworn before me this 9th day of February 2026.



Notary Public/Commissioner for Oaths in and for Alberta

Stephen Kroeger
Barrister & Solicitor



Asset Lease Agreement

**Norden Finance Inc.
Lease No. NB-2211**

This Asset Lease Agreement dated for reference the 9th day of August 2022 (the “**Effective Date**”).

AMONG:

Norden Finance Inc., an Alberta corporation
at 285028 Frontier Rd., Rocky View County, AB T1X 0V9 Canada
(together with its successors and permitted assigns, “**Lessor**”)

- and -

Halo Exploration Ltd., an Alberta corporation
at 400, 1333 8 Street SW, Calgary, AB T2R 1M6 Canada
(together with its successors and permitted assigns, “**Lessee**”)

WITNESSES THAT in consideration of the covenants hereinafter contained, the parties to this Asset Lease Agreement covenant and agree as follows:

1.1 Definitions

In this Asset Lease Agreement, including the Schedules, the following terms have the meanings assigned to them, unless the context otherwise requires:

- a. “**AER**” means the Alberta Energy Regulator;
- b. “**Applicable Laws**” means, with respect to any Person or property, all national, provincial, state, county, municipal and local laws including the common law and by-laws, statutes, rules, regulations, treaties, ordinances, directives, decrees, decisions and orders of any Government Authority (to the extent the Person or property is subject to the jurisdiction of such Government Authority) and policies, guidelines, and interpretations (in each case, having the force of law) made or issued by any Government Authority under any of the foregoing, in each case that are applicable from time to time to such Person or property;
- c. “**Asset Sale**” has the meaning given in Section 25;
- d. “**Assets**” means those items of personal property described in Schedule “A” and “**Asset**” refers to any one of them;
- e. “**Battery Asset**” means the Halo 03-22-65-22W5 Facility located on the Crown Lease;
- f. “**Business Day**” means any calendar day of the year, other than a Saturday, Sunday or any calendar day on which major banks are closed for business in Calgary, Alberta;
- g. “**Buyout Ratio**” means the applicable buyout ratio set out in the Buyout Ratio column in Schedule “A”;
- h. “**Collateral**” has the meaning given in Section 7;
- i. “**Commencement Date**” means the 1st calendar day of the next calendar month after the Effective Date;
- j. “**Conditional Surrender of Lease**” means a conditional surrender of lease dated as of or prior to the date hereof, among Her Majesty the Queen in right of the Province of Alberta, as represented by the Department of Environment and Sustainable Resource Development, by the “director” duly appointed under the *Public Lands Act* (Alberta), as lessor, Lessee, as lessee and Lessor, as mortgagee;

- k. **“Control”** means the possession, directly or indirectly, of (i) greater than 50% of securities having ordinary voting power for the election of directors (or persons performing similar functions) in respect of a person or entity; or (ii) the power to direct or cause the direction of the management or policies of such person or entity, whether through the ability to exercise such voting power, or by contract or otherwise;
- l. **“Crown Lease”** means the mineral surface lease dated as of October 1, 2018 and bearing disposition number MSL180811, among Lessee, as lessor and the AER, as lessee, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.
- m. **“Default”** has the meaning given in Section 28;
- n. **“Effective Date”** has the meaning given in the preamble;
- o. **“Enforcement Costs”** has the meaning given in Section 29;
- p. **“Environmental Claim”** means any Governmental Order, action, suit, demand, demand letter, claim, written notice of violation or non-compliance, written notice of liability or potential liability, investigation, proceeding, lien, fine, penalty, consent order or consent agreement by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on, or resulting from: (a) the presence, release of, or exposure to, any Hazardous Material; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law;
- q. **“Environmental Law”** means all Applicable Laws relating to human health and safety, protection of the environment, in respect of Hazardous Materials or the presence, handling, storage, disposal, shipment, packing, sale, transportation, generation, use, treatment or release of Hazardous Materials, above-ground or underground storage tanks and occupational health and safety;
- r. **“Government Authority”** means any nation or any province, state, county, territory, municipality or other political subdivision thereof, or any government, quasi-government, administrative or regulatory authority, agency, board, body, commission, instrumentality, court or tribunal thereof or any central bank (or similar monetary or regulatory authority), any tax authority, any ministry or department or agency of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, or any arbitrator or panel of arbitrators;
- s. **“Governmental Order”** means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority;
- t. **“Fees”** means the sums described as Fees in Schedule “B”;
- u. **“Hazardous Materials”** means: (a) any gasoline, petroleum or petroleum products or by-products, radioactive materials, friable asbestos or asbestos-containing materials, urea-formaldehyde insulation, polychlorinated biphenyls and radon gas; and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law;
- v. **“Indebtedness”** has the meaning given in Section 7;
- w. **“Interest-Only Period”** means the period between the Effective Date and the Commencement Date;

- x. **"Lease"** means this Asset Lease Agreement, including all its schedules and all written amendments hereto;
- y. **"Leaseops"** has the meaning given in Section 23(b);
- z. **"Lessor Indemnities"** has the meaning given in Section 26;
- aa. **"Lessor's Lien"** means any mortgage, pledge, lien, security interest, charge, encumbrance, financing statement, hypothec, prior claim, title retention or any other right or claim of any person claiming through or under or for the benefit of Lessor;
- bb. **"Lien"** means any mortgage, pledge, lien, security interest, charge, encumbrance, financing statement, hypothec, prior claim, title retention or any other right or claim of any person, other than any Lessor's Lien;
- cc. **"Liquidated Damages"** has the meaning given in Section 29;
- dd. **"loss"** has the meaning given in Section 17;
- ee. **"Location"** has the meaning given in Section 16;
- ff. **"Material Adverse Event"** means any such matter, event or circumstance that, individually or in the aggregate could be expected to have a: (a) material adverse effect on: (i) the business, assets, properties, liabilities (actual or contingent), operations or condition (financial or otherwise) of Lessee; (ii) the validity or enforceability of any of the Transaction Documents considered as a whole, including the validity, enforceability, perfection, publication, priority or rank of any Collateral created under any of the Security Documents (considered as a whole); (iii) the rights or remedies of Lender under this Lease or any other Transaction Document; or (iv) the ability of Lessee to perform any of its material obligations under this Lease or any other Transaction Document; or (b) result in a change of Control of Lessee provided, however, that commodity price decreases affecting the Canadian oil and gas industry generally for a period of 12 months or less shall not constitute a matter, event or circumstance giving rise to a Material Adverse Event.
- gg. **"Person"** means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability corporation, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns have a similarly extended meaning;
- hh. **"Pre-Commencement Interest Payment"** means the payment of interest accrued from time to time on the principal amount of the Lease outstanding at the rate of 12.5% per annum, calculated and payable monthly in arrears on the outstanding balance;
- ii. **"Product"** means the production from or associated with each Asset;
- jj. **"Production Report"** has the meaning given to it in Section 23(b);
- kk. **"Project"** means Lessee's and each Asset's associated oil and gas extraction, processing, transportation and other activities associated with Lessee or such Asset;
- ll. **"Prudent Industry Practice"** means, at a particular time, either (a) any of the practices, methods and acts engaged in or approved by a significant portion of the oil and gas industry operating in Canada at such time with respect to oil and gas extraction projects of similar scope and nature as the Project, or (b) with respect to any matter to which the practices referred to in clause (a) do not apply, any of the practices, methods and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, would have been expected to accomplish the desired result at a reasonable cost consistent with the requirements of Applicable Laws, good oil and gas industry business practices, reliability, safety and expedition, with respect to oil and gas extraction projects of similar scope and nature as the Project. "Prudent Industry Practice" is

not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts having due regard for, among other things, manufacturers' warranties, the requirements of insurance policies and the requirements of governmental bodies of competent jurisdiction;

- mm. **"Purchase Agreement"** means the Asset Purchase Agreement dated as of the date hereof, between Lessor, as purchaser, and Lessee, as vendor
- nn. **"Purchase Option"** means the right granted by Lessor to Lessee to acquire all of the Assets by paying the amount set out in the Purchase Option section of Schedule "B";
- oo. **"Security Documents"** means, collectively, this Lease and the Conditional Surrender of Lease, in each case as the same may be amended, amended and restated, supplemented or otherwise modified from time to time;
- pp. **"Term"** means a period of 120 months starting on the Commencement Date, unless earlier terminated in accordance with the terms hereof;
- qq. **"Transaction Documents"** means, collectively, the Security Documents, the Purchase Agreement and all other agreements, documents, certificates and instruments executed and delivered to Lessor by Lessee in connection therewith and **"Transaction Document"** means any one of the Transaction Documents, as applicable;
- 1.2 The following schedules attached to this Lease are incorporated in and form part of this Lease as if those schedules were contained and repeated herein:

Schedule "A"	Assets
Schedule "B"	Financial Terms and Schedule
Schedule "C"	Quarterly Reporting Certificate

2. **Lease:** For and in consideration of the payments by Lessee to Lessor as provided for herein, Lessor hereby agrees to lease each Asset to Lessee, and Lessee agrees to lease, hold, and maintain such Assets from Lessor, on the terms and conditions set forth herein for the Term specified herein.
3. **Cancellation and/or Termination:** Neither Lessee nor Lessor can cancel or terminate this Lease except as provided herein. Each party further acknowledges and agrees that clerical errors will not affect the validity of this Lease and that Lessee or Lessor may unilaterally correct the same, provided a revised copy of this Lease is furnished to the other parties.
4. **Asset Lease, Selection, and Ownership:** This Lease is a lease-to-own financing arrangement whereby Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the Assets, together with all accessories and attachments. Lessee has personally selected each Asset and Lessor has purchased such Assets at Lessee's specific request. Subject to acceptance under Section 8, Lessee acknowledges suitability of each Asset and that failure of such Asset to be delivered and installed or to operate or conform to requirements will not lessen its obligations to Lessor under this Lease. The parties agree that this Lease is a "lease for a term of more than one year" as defined in Section 1(1)(z) of the *Personal Property Security Act* (Alberta).
5. **Title:** Unless and until the Purchase Option is exercised by Lessee, including any final payout and applicable taxes and administrative fees for transferring title of the Assets to Lessee, Lessor shall retain full title to, and all property and rights to and in, each Asset. No right, title or interest in or to the Assets shall pass to Lessee other than, conditional upon Lessee's compliance with and fulfilment of the terms and conditions of this Lease, the right to quietly possess and use each Asset during the Term, until the Purchase Option has been made from Lessee to Lessor upon which all right, title and interest in and to all of the Assets shall be conveyed to Lessee. Before such time, Lessee shall not sell, offer for sale, assign, mortgage, pledge or encumber any Asset or any part thereof. Lessee shall

indemnify Lessor from and against all losses, costs, demands and expenses (including legal fees, disbursements and other costs) incurred by Lessor by reason of or in respect of the removal or attempted enforcement of any liens, charges, demands or encumbrances or any attempted or actual distress, execution or seizure of any Asset that is directly caused by any action or inaction of Lessee. At the discretion of Lessor, each Asset shall be identified as the property of Lessor through such plates or other marks as Lessor may see fit, and Lessee shall not permit any such plates or marks to be changed or removed. Unless an Asset is already attached to real estate as of the Effective Date, no Asset shall be attached to real estate in any way and each such Asset not already attached to real estate as of the Effective Date must remain moveable at all times. Notwithstanding the title considerations outlined in this Section 5, the Parties acknowledge that Lessor has never made, and does not intend to make, any operational decisions or take responsibility for operation of the Assets.

6. **No Conditional Sale; Personal Property:** It is the intention of the parties to hereby create a lease of each Asset, and not a conditional sale. To provide solely for the eventuality that a court might hold this to be a conditional sale, Lessor hereby retains a purchase money security interest to secure payment of the sales price of each Asset as determined by such court, and Lessee grants to Lessor all rights given to a secured party under the *Personal Property Security Act* (Alberta) and any other applicable legislation, in addition to Lessor's other rights hereunder. It is further the intention of the parties that each Asset not already attached to real estate as of the Effective Date shall at all times be and remain moveable personal property, notwithstanding any purpose for which such Asset may be used or that it may become affixed, attached or joined to any land or immovable property or any structure thereon. To provide solely for the eventuality that a court might hold an Asset or any of it to be a fixture, the parties state for the purpose of complying with the legal requirements that such Asset collateral is or includes fixtures.
7. **Security Interest in the Assets:** As continuing and collateral security for payment and performance of all indebtedness, liability and obligations under this Lease (the "**Indebtedness**"), and for value received, the receipt and sufficiency of which is hereby acknowledged, Lessee hereby grants, assigns, transfers, sets over, mortgages, charges and pledges to Lessor, and hereby creates a general and continuing security interest in favour of Lessor in and to all of Lessee's right, title and interest in and to the Assets, wherever located and all proceeds and personal property derived directly or indirectly from any dealing with the Assets (collectively, the "**Collateral**") and shall provide all requested authorization and cooperation to Lessor in the registration, perfection, and maintenance of such security interest in the Collateral. The security interest granted by this Lease secures payment and performance of the Indebtedness. The grant by Lessee of the security interest in the Collateral to Lessor in no way shall limit or restrict the rights and remedies of Lessor to collect and enforce collection from Lessee of any of the Indebtedness, and Lessor shall not be required or obligated to enforce its rights or remedies with respect to the Collateral before enforcing collection.

At any time and from time to time, upon the written request of Lessor, and at the sole expense of Lessee, Lessee will promptly and duly execute and deliver such further instruments and documents and take such further action as Lessor may reasonably request for the purposes of obtaining or preserving the full benefits of this Lease and of the rights and powers herein granted, including the filing or execution of any financing statements or financing change statements under any applicable law with respect to this Lease. Lessee hereby waives any right it may have to receive a financing statement, financing change statement or verification statement relating to this Lease. Without limiting the generality of the foregoing, Lessee acknowledges that this Lease has been prepared based on applicable law and Lessee agrees that Lessor will have the right, acting reasonably, to require that this Lease be amended or supplemented: (i) to reflect any changes in applicable law, whether arising as a result of statutory amendments, court decisions or otherwise; (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions; or (iii) if Lessee amalgamates with any other Person or enters into any reorganization, in each case in order to confer upon Lessor the security intended to be created hereby.

8. **Acceptance:** Lessee hereby acknowledges that it unconditionally accepts each Asset in its present condition.

9. **Term and Lease:** This Lease will start on the Effective Date and end after the number of complete calendar months designated as the Term. During the Interest-Only Period, Lessee shall be required to make the Pre-Commencement Interest Payment to Lessor, promptly upon receiving receipt of a statement from Lessor outlining such Pre-Commencement Interest Payment. Beginning on the Commencement Date, Lessee will pay the Fees in the number of lease payments as specified herein, and for each month following the expiry of the Term in which Lessee has not returned each Asset to Lessor. All lease payments will be payable on the first calendar day of each month, starting on the Commencement Date. At any time during the Term, Lessee shall, in its sole discretion, have the Purchase Option right to acquire all of the Assets by payment of the Purchase Option amount set out herein to Lessor.
10. **Payments Upon Early Termination:** Notwithstanding anything to the contrary contained herein, in the event Lessee exercises the Purchase Option with respect to the Assets prior to the date which is 36 months following the Effective Date, Lessee shall pay all amounts otherwise attributable to the Assets following the date of consummation of the Purchase Option, including all interest and principal payable up to and including the date which is 36 months after the Effective Date, plus the applicable Buyout Ratio premium, which shall not be a penalty, pursuant to the terms of this Lease for the Assets (as determined by Lessor, acting reasonably) and in accordance with Schedule "B".
11. **Cost Recovery:** Lessee shall be responsible for, and shall pay Lessor promptly upon receipt of a statement outlining, (a) all reasonable out-of-pocket expenses incurred by Lessor, including the reasonable fees, charges and disbursements of legal counsel for Lessor, in connection with the preparation, negotiation, execution, delivery and administration of this Lease, any security documents and the other agreements, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (b) all out of pocket expenses incurred by Lessor, including the fees, charges and disbursements of counsel, in connection with (i) the registration of security associated with each Asset in such places and registries as Lessor determines in its sole discretion and (ii) the ongoing monitoring of each Asset and related due diligence, (iii) the enforcement or protection of its rights against Lessee in connection with this Lease, including its rights under this Section 11, or in connection with the Fees, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Fees.
12. **Taxes:** The Fees are exclusive of goods and services tax and all other sales, use, property, excise and other taxes or charges (including any interest and penalties) now or hereafter imposed by any governmental body or agency upon each Asset or the purchase, possession, leasing, operation, use or disposition thereof hereunder, or the Fees, (excluding taxes on or measured by the net income of Lessor) any other applicable sales tax, which shall be paid by Lessee. If Lessee fails to pay such items when due, Lessor may pay such license fees, assessments, registration fees, charges or taxes, as the case may be, in which event the costs thereof shall constitute additional Fees which shall be immediately due and payable and Lessor shall be entitled to all the rights and remedies provided in this Lease or otherwise in the event of default of payment of the Fees. Lessor will be entitled to claim any applicable capital cost allowance, investment tax credit, or similar benefit under applicable tax legislation from time to time pertaining to each Assets and/or Lease and Lessee will not make any such claim in respect thereof.
13. **Overdue payments:** When Fees or other amounts owing under this Lease are not paid when due, Lessee will pay interest at the rate of 18% per annum on such unpaid amounts, calculated and compounded monthly, and payable on demand.
14. **Installation, Maintenance and Repair:** Lessee will be responsible and at Lessee's expense for the maintenance, upkeep, care, servicing and repair, including necessary replacements of parts of the Assets. Other than normal wear and tear, Lessee will at Lessee's expense keep each Asset in the same condition such Asset was in at the Commencement Date and will be the operator of record of such Asset. Lessee shall not make any alterations, modifications additions or improvements considered to be out of scope to an Asset without written consent of Lessor, provided that if such

alterations, additions or improvements conform to industry standard and do not materially decrease the market value of such Asset, such consent shall not be unreasonably withheld. All such alterations, additions, or improvements will be at Lessee's expense. Lessee will ensure that any third party dealing with each Asset takes appropriate care and acts in accordance with Prudent Industry Practice when so doing. For increased certainty, Lessee will be solely responsible for any operational decisions made with respect to such Asset.

15. **Management and Operation:** Lessee shall manage and operate its business or cause its business to be managed and operated (i) in accordance with Prudent Industry Practice in all material respects and in compliance in all material respects with the terms and provisions of all applicable licenses, leases, contracts and agreements, and (ii) in compliance with all Applicable Laws of the jurisdiction in which such businesses are carried on, and all Applicable Laws of every other Governmental Authority from time to time constituted to regulate the ownership, management and operation of such businesses.
16. **Use:** Lessee will use each Asset in a careful and prudent manner and not for any unlawful purpose and at Lessee's expense comply with all Applicable Laws, ordinances, and regulations (including Environmental Law) relating to the possession, use, or maintenance of such Asset.
17. **Loss and Damage:** Lessee will, until this Lease is terminated and all obligations hereunder are discharged in full, bear the entire risk of loss, damage, destruction, theft, seizure, or governmental taking of any Asset or any part thereof (any such case being a "loss"), regardless of whether Lessee caused such loss by any default or neglect. No loss will relieve Lessee of its obligations hereunder.
18. **Location and Inspection:** Lessee will maintain each Asset in the province of Alberta (the "Location"), and (except such Assets that by their nature are moveable, are being moved in the ordinary course of business and on a temporary basis) can only move such Asset from such Location with the prior written consent of Lessor. Lessor will have the right to enter upon Lessee's property and to inspect each Asset and maintenance, insurance, production data, reserve reports and tax records during normal business hours and upon giving reasonable prior written notice.
19. **Net Lease:** Lessee will be responsible for all costs and expenses relating to each Asset or its use, maintenance, or possession, including all taxes and all fees, charges, claims, and fines incurred arising in connection with the registration, licensing, or operation of such Asset. For greater clarity, the Fees and other amounts payable hereunder will be absolutely net to Lessor and will be free of all expenses or outgoings of any kind or nature.
20. **Insurance:** Lessee will, at its expense, place and maintain with insurers acceptable to Lessor, which will include but not be limited to:
 - (a) Property including Boiler and Machinery risk insurance on each Asset for its full replacement value (in an aggregate amount not less than \$598,193), such insurance to include Lessor as additional insured, a loss payable clause in Lessor's favour as first loss payee, and a waiver of subrogation in Lessor's favour;
 - (b) Commercial general liability and umbrella liability insurance with limits of liability equal to at least \$1,000,000 per occurrence, and such insurance will: (i) extend to all Lessee's liabilities arising out of the use or possession of each Asset, (ii) include Lessor as additional insured, and (iii) include a cross-liability provision which insures each party insured thereunder in the same manner and to the same extent as if a separate policy had been issued to each;
 - (c) business interruption insurance in an amount that will reimburse Lessee for direct or indirect loss of gross earnings attributable to all perils insured against in this Section 20, and other perils commonly insured against or attributable to prevention of access to each

Asset or the Project as a result of those perils, provided that Lessee shall obtain such insurance to Lessor's satisfaction on or before May 31, 2022; and

- (d) all insurance policies required above will contain endorsements providing that: (i) Lessor will be notified in writing 30 calendar days before a policy lapses or is materially altered or canceled; (ii) coverage will be primary and not contributory in respect to the risks and liabilities assumed by Lessee; (iii) Lessor will not be responsible for payment of any premium; (iv) Lessor may elect to have all proceeds of loss payable only to Lessor (in respect to the all-risk coverage on each Asset); and (v) show Lessor as first loss payee and additional insured. Lessee will, on request, supply certified copies of all insurance policies or other evidence satisfying these insurance covenants. During a Default, Lessor will be entitled to retain from all insurance proceeds an amount equal to the outstanding amount due and payable to Lessor by Lessee under this Lease.

21. **Lessee Representations and Covenants:** Lessee represents, warrants, and covenants throughout the Term that:

- (a) Lessee will continue to be validly incorporated (or otherwise established), organized and existing and in good standing;
- (b) each Asset shall remain free and clear of all Liens and encumbrances;
- (c) this Lease is and will continue to be the legal, valid and binding obligation of Lessee enforceable against it and effective against its creditors in accordance with its terms;
- (d) there are no pending or threatened actions or proceedings before any court, administrative agency, or other tribunal that could have a material adverse effect on Lessee;
- (e) each Asset is, and at all times shall be, a critical operating asset in Lessee's business;
- (f) Lessee has ensured that Lessee and any third party dealing with each Asset has taken appropriate care and has acted in accordance with Prudent Industry Practice when so doing;
- (g) the Crown Lease is in good standing and Lessee is not in breach of any terms therein;
- (h) Lessee will perform its obligations under the Crown Lease, including payment of rentals, royalties, Taxes or other charges in respect thereof which are necessary to maintain the Crown Lease in good standing in all respects; and
- (i) except as, in the aggregate, would not reasonably be expected to result in a Material Adverse Event:
 - (i) none of the Assets contain or previously contained, any Hazardous Materials in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could result in liability under, any Environmental Law;
 - (ii) Lessee has not received any notice of actual or alleged material violation, noncompliance or liability regarding compliance with Environmental Law or other environmental matters or with respect to any Asset, nor is there any reason to believe that any such notice will be received or is being threatened;
 - (iii) each Asset and all operation of such Asset is and formerly has been in compliance with all applicable Environmental Law, and there is no known contamination at,

under or about such Asset or violation of any Environmental Law with respect to such Asset; and

- (iv) no Environmental Claim is pending or, to its knowledge, threatened, to which Lessee is or will be a party with respect to each Asset or the operation of such Asset, nor are there any decrees or orders or other administrative or judicial requirements outstanding under any Environmental Law with respect to such Asset or the operation of such Asset.

22. **Lessor Representations and Covenants:** Lessor represents, warrants, and covenants throughout the Term that:

- (a) Lessor will continue to be validly incorporated (or otherwise established), organized and existing and in good standing;
- (b) Lessor will retain title to each Asset and, unless such Lessor's Lien does not interfere with Lessee's use of each Asset, Lessor shall keep each Asset free and clear of all Lessor's Liens; and
- (c) there are no pending or threatened actions or proceedings before any court, administrative agency, or other tribunal that could have a material adverse effect on Lessor.

23. **Reporting Obligations:** Lessee agrees to provide reporting, as is usual and customary for transactions of this nature (subject to customary materiality thresholds), including:

- (a) quarterly financial statements (unaudited, consolidated and unconsolidated) within 120 calendar days after each of the twelve fiscal month ends of each fiscal year and annual financial statements (audited and consolidated) within 180 calendar days after each fiscal year end;
- (b) on a monthly basis, within 45 calendar days of the end of each calendar month, Corporate Lease Operating Statements (the "**Leaseops**") summarizing Lessee's monthly corporate expense, income, sales and production information and forecast or explanation of any production interruptions including, but not limited to maintenance and turnarounds by Lessee or downstream parties;
- (c) notices of an Environmental Claim, other material environmental damages, Defaults, litigation that could result in the occurrence of a Material Adverse Event, change of Control, any correspondence with regulators or other relevant parties relating to the Battery Asset and which could result in environmental remediation obligations or other liability in excess of \$10,000, including any legal proceedings that could result in the occurrence of a Material Adverse Event. For increased certainty the notices listed in this Section 23(b) shall also include those which may give rise to any claim triggering the environmental indemnity given by Lessee in Section 27;
- (d) promptly upon Lessee becoming aware, and in any event within 10 calendar days, report any Material Adverse Event to Lessor. Upon the occurrence of such Material Adverse Event, Lessee covenants to:
 - (i) propose a plan to Lessor to solve or mitigate such Material Adverse Event;
 - (ii) until such plan is approved by Lessor, cooperate with Lessor to refine such plan to Lessor's satisfaction; and
 - (iii) once Lessor approves such plan, implement such plan diligently and in good faith;

- (e) within a reasonable time, and no less than 5 calendar days after Lessee's board of directors has approved any agreement binding Lessee to any act which will result in a change of Control of Lessee;
 - (f) within a reasonable time, and no less than 10 calendar days, prior to Lessee divesting of more than 30% of their assets and / or having a significant change of Control that may result in a Material Adverse Event;
 - (g) all other reports made available by or on behalf of Lessee or any of its affiliates relating in any way to an Asset, as determined by Lessee, acting reasonably, including access to management presentations, models, budgets, and lending agreements and other key documentation;
 - (h) other information as may be reasonably requested by Lessor;
 - (i) a completed Quarterly Reporting Certificate, in the form set out in Schedule "C", per the timelines set forth in this Agreement, which shall include annual maintenance, repair or similar reports relating to the Assets; and
 - (j) forthwith upon becoming aware thereof, provide written notice to Lessor, within 2 calendar days, of (i) any existing, pending or threatened breach of the Crown Lease or any amendment, termination or change thereto, and (ii) any notice and copies of any correspondence or information requests from the AER, any agent of the provincial Crown or any Governmental Authority relating to the Battery Asset and which could result in environmental remediation obligations or other liability in excess of \$10,000.
24. **Transfer of Lease:** Lessee will not sublet or part with possession or control of an Asset without prior written consent from Lessor, which, as long as this Lease is assumed in connection therewith, Lessor agrees not to unreasonably withhold.
25. **Disposal of Assets:** If Lessee is in compliance with all other provisions of this Lease and wants to sell any of the Assets (in each case, an "**Asset Sale**"), it shall inform Lessor of the particulars of such proposed Asset Sale, including details of any new equipment with which Lessee proposes to replace such disposed Asset, to be included in the scope of Asset hereunder. Provided that such new asset is of equal or greater value and is acceptable to Lessor following its diligence review, Lessor's consent shall not be unreasonably withheld and the Purchase Option in respect of such Asset shall not have occurred.
26. **Indemnity and Liability:** Lessee shall be responsible for, and shall indemnify and hold harmless Lessor and Lessor's affiliates, directors, officers, partners, employees, agents and representatives (collectively, the "**Lessor Indemnitees**") from and against, any and all loss, costs, liabilities, claims, legal proceedings, and expenses sustained or suffered by any Lessor Indemnitee or for which any Lessor Indemnitee may become liable arising from or in connection with this Lease, any license, an Asset, the manufacture, selection, purchase, ownership, delivery, possession, use, maintenance, operation, loss or return of an Asset, taxes, the recovery of claims under any insurance policy relating to an Asset, any use or operation of an Asset which infringes any patent or other industrial or intellectual property right of any person, default, Lessor's exercise of any rights or remedies hereunder or any entry or taking of possession, removal or disabling of an Asset pursuant to Section 29. Lessor will not be liable for any loss, damage, or expense of any kind or nature, whether direct, indirect or consequential, caused by an Asset or the use, maintenance, or possession thereof, by the inadequacy of an Asset or by any interruption of service or loss of use of an Asset or for any loss of business or damage whatsoever and howsoever caused.
27. **Environmental Indemnity:** In addition to any other indemnity of Lessee to Lessor under this or any other agreement, Lessee shall indemnify and hold harmless Lessor from and against any and all

claims, including Environmental Claims, suits, actions, debts, damages, costs, losses, liabilities, penalties, obligations, judgments, charges, expenses and disbursements (including all reasonable legal fees and disbursements on a solicitor and his own client basis) of any nature whatsoever, suffered or incurred by Lessor in connection with this Agreement or any Asset Lease, or otherwise howsoever, with respect to (a) any Environmental Claims relating to each Asset arising under any Environmental Law or permits relating to environmental matters contained in Applicable Laws as a result of the past, present or future operations of Lessee relating to such Assets, Product or Project, (b) any other failure of Lessee to comply with any requirements of Environmental Law, and (c) the discharge, emission, spill, radiation or disposal by a Person of any Hazardous Material into or upon any land, the atmosphere, or any watercourse or body of water; including the costs of defending, counterclaiming or claiming against third parties in respect of any action or matter and any cost, liability or damage arising out of a settlement entered into by Lessor of any such action or matter, including in each case any liabilities arising as a result of the indemnity covering Environmental Claims given to any Person by Lessor or a receiver, interim receiver, receiver manager or similar Person appointed hereunder or under Applicable Laws. In each case, the provisions of this Section 27 shall survive the termination or expiry of this Lease.

28. **Default:** Lessee is in default under this Lease (a “**Default**”) if:

- (a) Lessee fails to pay any Fees or any other amount due under this Lease within 15 calendar days of Lessor providing written notice that such Fees or other amounts are due and owing and in default; or
- (b) Unless otherwise contemplated in this Section 28, Lessee breaches in any material respect any of the representations or covenants made by Lessee under this Lease which is not cured within 30 days of such breach occurring or arising; provided, however where the breached representation or covenant, by its nature, cannot be reasonably cured in such 30 day period and Lessee has diligently and continually made efforts to cure, or cause to be cured, such default, the cure period shall be extended to such reasonable period of time as mutually agreed by Lessor and Lessee; or
- (c) Lessee grants a Lien on any part of an Asset or attempts to sell an Asset or assigns this Lease without the written consent of Lessor; or
- (d) There occurs and is continuing a Material Adverse Event for which: (i) Lessor becomes aware; or (ii) Lessee notifies Lessor, and upon the earlier of either:
 - (i) Lessee failing to comply with any of its obligations to propose, refine to Lessor’s satisfaction and implement, a plan to solve or mitigate such Material Adverse Event in accordance with Section 23(d); or
 - (ii) after 15 calendar days, or such longer period of time as Lessor reasonably agrees to, in Lessor’s sole discretion in light of the nature and severity of such Material Adverse Event.
- (e) Lessee fails to deliver the Leaseops when due or the Leaseops fail to demonstrate to Lessor’s satisfaction that Lessee’s producing day average exceeds 500 barrel of oil equivalent/day; or
- (f) There is an existing, pending or threatened termination or assignment of the Crown Lease; or
- (g) Lessee makes any assignment for the benefit of its creditors, becomes insolvent, commits any act of bankruptcy, takes any action to wind-up or dissolve, cease or threaten to cease

to do business as a going concern, is subject to a change in control in fact or in law or seeks any arrangement or composition with its creditors; or

- (h) any proceeding in bankruptcy, receivership, winding-up, dissolution, liquidation, or insolvency is commenced by or against Lessee or its property; or
- (i) without the written consent of Lessor which consent shall not be unreasonably withheld, any dealing, issuing or transferring of shares, units, memberships or interests of Lessee or any of its affiliates results in a change of Control of Lessee; or
- (j) Lessee fails to perform or comply with any obligation under this Lease (other than those described in clause (a), (b), (c), (d), (e), (f), (g), (h) or (i) above) within 15 calendar days of Lessor providing written notice of such failure.

29. **Effect of Default; Damages:** Lessor's loss upon a Default depends in part on the cost of each Asset, the Term, and Lessor's minimum expected return from the sale and re-lease of each Asset at the end of the Term. Upon any Default and in addition to Lessor's other rights and remedies under this Lease and otherwise available at law or in equity:

- (a) Lessee shall pay forthwith (with notice) as liquidated damages, and not as a penalty, an amount (the "**Liquidated Damages**") equal to the aggregate of:
 - (i) lease payments and other amounts payable hereunder unpaid as of the date of the Default, and
 - (ii) the present value (calculated on the basis of an interest rate of three percent (3%) per annum calculated and compounded monthly) of: (A) the lesser of i) the amount due upon the immediately preceding Purchase Option or ii) remaining lease payments payable from the date of Default to the end of the Term, and (B) amounts otherwise payable under the Lease to the end of the Term, and
 - (iii) any Enforcement Costs incurred by Lessor, and
 - (iv) interest thereon from the date of Default until payment has been received in full by Lessor. To the extent that the Liquidated Damages are deemed to include any taxes which Lessor is required to remit to any taxation authority, the Liquidated Damages will be increased by the amount necessary to ensure that the net amount of the Liquidated Damages retained by Lessor after remitting all applicable taxes will be equal to the amount calculated above;
- (b) upon demand by Lessor, at Lessee's expense Lessee will return each Asset in its original condition, other than normal wear and tear. Upon return of an Asset the parties will complete a joint inspection of such Asset. If, upon return of such Asset, the parties disagree on whether and to what extent such Asset requires repairs other than repairs caused by normal wear and tear, the parties will use all commercially reasonable efforts to resolve the disagreement using an agreed-upon independent expert whose cost will be split evenly by both parties.
- (c) Lessor may, with prior notice to Lessee, disable or repossess an Asset; and
- (d) Lessee's rights hereunder in respect of each Asset will cease and terminate absolutely.

Lessor's rights and remedies, either under this Lease or at law or in equity or otherwise afforded to us, are cumulative and not alternative. Upon demand, Lessee will pay all of the costs and expenses incurred by Lessor as a result of a Default ("**Enforcement Costs**") (including all costs and expenses

in respect of collection, repossession, repair of an Asset, enforcement of our rights and remedies, sale and re-lease costs and other realization costs), with interest accruing thereon from the date such costs and expenses were incurred until payment in full.

30. **Effect of Material Adverse Event:** Upon a Default under Section 28(d) and in addition to Lessor's other rights and remedies under this Lease and otherwise available at law or in equity, Lessor may, upon providing written notice to Lessee that a Material Adverse Event has occurred, immediately terminate this Lease, seize the Collateral and exercise any other remedies it has under the Transaction Documents or at law.
31. **Sale on Default:** Lessor may after Default sell, re-lease or otherwise dispose of any Asset at public or private sale upon at least 14 calendar days' written notice, to Lessee and upon such terms and in such manner as Lessor may determine. Lessee will thereafter continue to be liable for the amount of any deficiency between the proceeds from such disposition and the Liquidated Damages. If at any time after Default Lessee pays Liquidated Damages and all applicable taxes, title of each Asset will be transferred to Lessee on an "as is, where is" basis without any condition, representation or warranty whatsoever.
32. **Effect of Waiver:** No delay in exercising, or failure to exercise, any right or remedy accruing to us under this Lease will impair or waive such right or remedy, nor will a waiver of any single Default be deemed a waiver of any other prior, subsequent or concurrent Default. Any waiver, permit, consent or approval on our part in respect of this Lease must be in writing and will have effect only to the extent specifically set forth in such writing.
33. **Lessor Warranties:** Lessor warrants that on the Commencement Date, Lessor owns and is permitted to lease each Asset to Lessee. In addition, Lessor warrants that no payments made to Lessor under this Lease will be used by Lessor in violation of any law applicable to Lessor concerning or relating to bribery or money laundering. In the event that Lessor breaches this Section 33, Lessee shall be entitled to terminate this Lease, in which event Lessee shall have no further obligations hereunder, other than the obligation to pay all outstanding amounts that are due and payable as of the date of termination. Lessee acknowledges that there are no promises, inducements, representations, collateral warranties, warranties, conditions, options or terms, oral or written, express or implied, made by or on behalf of Lessor or operating in favour of Lessee with respect to any aspect of each Asset (including, without limitation, its condition, design, capabilities, operation, use, suitability, fitness, durability, quality, merchantability or history) except as expressly set out in this Lease. Lessor shall not be liable to Lessee for any loss, cost, expense or damage of any kind or nature whatever caused directly or indirectly by an Asset or the use, operation, ownership, or maintenance of it, or for any loss of business or other damages whatsoever and howsoever caused.
34. **Lessee Covenants:** The licensing and registration of, and obtaining any necessary inspections and certifications prior to operating, each Asset and all related costs and obligations will be the sole responsibility of Lessee, provided that Lessor shall provide any reasonable assistance requested by Lessee in complying with such obligations.
35. **Return of Assets:** At the expiry of the Term, unless a Default has occurred and is continuing, all rights and interests in each Asset will be transferred to Lessee at a total cost of \$1 and such Assets will be free of all Lessor's Liens.
36. **Filings:** Lessor may file or record this Lease and any Schedules in original or true form, a financing or financing change statement or any other notice in respect thereof or any appropriate document with appropriate offices of public record in any jurisdiction where an Asset may at any time be located or where Lessee may be resident or carry on business. Lessor agrees to provide copies of any such filings to Lessee. Lessee agrees to do all things and execute all documents that, in Lessor's reasonable opinion, are necessary or desirable to protect Lessor's interest in the equipment, including the execution of financing or financing change statements. If Lessee, upon request by Lessor, fails to forthwith execute any such financing or financing change statement, notice or other document,

Lessor may execute the same in the name of and on behalf of Lessee. Lessee hereby irrevocably appoints Lessor as its attorney for such purposes. In effecting any such filing or recording, Lessor shall be acting out of prudence only, and Lessor does not and shall not be deemed to thereby admit that this Lease or any Schedule is not a true lease or that this Lease or any Schedule is in substance a security agreement securing a lien in its favour on each Asset.

37. **Name Change, etc.:** Lessee will promptly, and in each case within five 5 calendar days thereof, notify Lessor in writing of: (a) any change in name; (b) any transfer, authorized or unauthorized, of any interest in or benefit from an Asset; (c) any change, authorized or unauthorized, in the location of an Asset; and (d) any change in the location of Lessee's chief executive office or any place of business (including any additional places of business).

38. **Notices:**

All notices required or permitted hereunder must be in writing. Any notice to be given hereunder will be deemed to be served properly if served in any of the following modes.

- (a) By delivering the notice to the Party at their address for service, and such notices will be deemed received when actually delivered, provided that such delivery is during normal business hours on any Business Day. If not delivered on a Business Day or after normal business hours, delivery will be deemed at the commencement of the next Business Day.
- (b) By any electronic means by which a written message may be sent to the a party's address for service, and such notice will be deemed received by the addressee when actually received, if received within normal business hours on any Business Day, or at the commencement of the next Business Day if the notice is not received during such normal business hours.
- (c) By mailing it first class to the Party at that Party's address for service, and such notices will be deemed received by the addressee at noon, local time, on the earlier of the actual date of receipt or the fourth Business Day following mailing.

The address for service and e-mail address for each of the Parties is:

Lessor:

Norden Finance Inc.
285028 Frontier Rd.
Rocky View County, AB, Canada T1X 0V9
Attention: Dean Willner – dwillner@northbasefinance.com

With a copy to:

Danusia Mielnik – dmielnik@northbasefinance.com

Lessee:

Halo Exploration Ltd.
400, 1333 8 Street SW
Calgary, AB, Canada T2R 1M6
Attention: Geoffrey Cain – gcain@haloexp.com

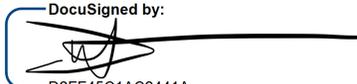
A party may change its address for service by notice to the other parties, and such changed address for service thereafter will be effective for all purposes of this Lease.

39. **Survival:** Notwithstanding any other sections hereof, all of Lessee's obligations and all of Lessor's rights and remedies hereunder will survive the termination of this Lease and the receipt of all lease payments and other amounts payable by Lessee hereunder.
40. **Currency:** All dollar amounts referred to herein are expressed as the lawful currency of Canada.
41. **Governing Law:** The laws of the Province of Alberta and the federal laws of Canada applicable therein govern all matters arising under this Lease. The courts of the Province of Alberta have exclusive jurisdiction in respect of all matters arising out of this Lease. Each Party hereby waives, to the fullest extent permitted by law, any right it may have to a trial by jury in all legal proceedings arising out of or relating to this Lease. Each party certifies that no representative, agent or attorney of any other party has represented to it, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver, and acknowledges that it and the other parties have been induced to enter into this Lease by, among other things, the mutual waivers and certifications in this Section 41.
42. **Entire Agreement; PO Terms of No Effect:** This Lease constitutes the entire agreement of the parties concerning its subject matter and no other representation, warranties or agreements, either oral or written, shall be binding upon Lessee or Lessor. This Lease supersedes and invalidates all prior agreements, understandings, negotiations, representations and warranties, whether oral or written, with respect thereto. The terms of this Lease shall supersede any terms attached to any Lessee purchase orders, which terms shall not be applicable to this Lease or to the rental of any Assets and which shall not be considered to be exceptions to the provisions of this Lease.
43. **Authorized Execution:** Lessee has read, understands, and accepts this Lease and hereby affirms that the signatory hereto is authorized to execute this Lease.
44. **Assignment:** Lessor may assign this Lease and the rights and obligations hereunder, in whole or in part, to a third party without the prior written consent of Lessee. Lessee may not assign this Lease nor any of the rights and obligations hereunder, in whole or in part, without the prior written consent of Lessor, which may be withheld or granted in Lessor's sole discretion.
45. **No Other Agreements:** Lessee confirms and acknowledges: (a) that there are no separate maintenance, service, or other agreements which attach to the Lease and for which payments are included in the regular payments; (b) that the essential element of this Lease is equipment lease only; and (c) that Lessee authorizes Lessor to pay the vendor(s) for the equipment and to commence the Lease on the date Lessor shall establish.
46. **Counterpart Execution:** This Lease may be executed in any number of counterparts with the same effect as if all signatories to the counterparts had signed one document, provided that neither Party is bound to this Lease until both Parties have executed a counterpart. All such counterparts will together constitute and be construed as one instrument. For avoidance of doubt, a signed counterpart provided by way of facsimile transmission, e-mail transmission of Adobe Acrobat PDF files, or other electronic means will be as binding upon the Parties as an originally signed counterpart

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have executed this Asset Lease Agreement as of the date first written above.

NORDEN FINANCE INC.

DocuSigned by:

Per: _____
D2FF45C1AC2441A...
Name: Dean Willner
Title: President and Chief Executive Officer

HALO EXPLORATION LTD.

DocuSigned by:

Per: _____
50186987EDFD441...
Name: Geoffrey Cain
Title: President and Chief Executive Officer

Schedule "A"

Attached to and forming part of that Asset Lease Agreement dated as of August 9, 2022,
among Norden Finance Inc. and Halo Exploration Ltd.

Assets

Unit # C-1387

Compass Energy Systems Ltd. sweet vapour recovery compressor package consisting of:

- Stage 1: Ro-Flo 8DE rotary vane compressor
- Stage 2: Ro-Flo HP11 rotary vane compressor
- Stage 1: TECO electric motor 60 hp @ 1200rpm, 460V/3Ph/60Hz
- Stage 2: TECO electric motor 125 hp @ 900rpm, 460V/3Ph/60Hz
- AXH model 81BVI aerial glycol cooler
- AIC brazed plate gas intercooler & aftercooler
- Spartan Controls REMVue PLC based control panel

Schedule "B"

Attached to and forming part of that Asset Lease Agreement dated as of August 9,2022,
among Norden Finance Inc. and Halo Exploration Ltd.

Financial Terms and Schedule

Annual Interest Rate	12.50%
Lease Funding Amount	\$471,214
Buyback Value at the End of the Term	\$1
Term, years	10.0
Commitment Fee	1.0% \$4,712
Monthly Fee Payment ¹	\$6,897

1. All payments to occur at the beginning of the month

Payment Month	A Opening Principal	B Capital Fee	C Principal	D Interest	E=A-C Closing Principal	F Buyout Ratio	G Early Termination	(A * F)+G Buyout Amount
1	\$471,214	\$6,897	\$1,989	\$4,908	\$469,225	1.06x	\$ 161,970	\$ 661,457
2	\$469,225	\$6,897	\$2,010	\$4,888	\$467,216	1.06x	\$ 157,062	\$ 654,441
3	\$467,216	\$6,897	\$2,031	\$4,867	\$465,185	1.06x	\$ 152,174	\$ 647,423
4	\$465,185	\$6,897	\$2,052	\$4,846	\$463,133	1.06x	\$ 147,307	\$ 640,403
5	\$463,133	\$6,897	\$2,073	\$4,824	\$461,060	1.06x	\$ 142,461	\$ 633,383
6	\$461,060	\$6,897	\$2,095	\$4,803	\$458,965	1.06x	\$ 137,637	\$ 626,361
7	\$458,965	\$6,897	\$2,117	\$4,781	\$456,849	1.06x	\$ 132,834	\$ 619,338
8	\$456,849	\$6,897	\$2,139	\$4,759	\$454,710	1.06x	\$ 128,053	\$ 612,313
9	\$454,710	\$6,897	\$2,161	\$4,737	\$452,549	1.06x	\$ 123,295	\$ 605,288
10	\$452,549	\$6,897	\$2,183	\$4,714	\$450,366	1.06x	\$ 118,558	\$ 598,260
11	\$450,366	\$6,897	\$2,206	\$4,691	\$448,160	1.06x	\$ 113,844	\$ 591,232
12	\$448,160	\$6,897	\$2,229	\$4,668	\$445,931	1.06x	\$ 109,153	\$ 584,202
13	\$445,931	\$6,897	\$2,252	\$4,645	\$443,678	1.06x	\$ 104,484	\$ 577,171
14	\$443,678	\$6,897	\$2,276	\$4,622	\$441,403	1.06x	\$ 99,839	\$ 570,138
15	\$441,403	\$6,897	\$2,300	\$4,598	\$439,103	1.06x	\$ 95,218	\$ 563,104
16	\$439,103	\$6,897	\$2,323	\$4,574	\$436,780	1.06x	\$ 90,620	\$ 556,069
17	\$436,780	\$6,897	\$2,348	\$4,550	\$434,432	1.06x	\$ 86,046	\$ 549,032
18	\$434,432	\$6,897	\$2,372	\$4,525	\$432,060	1.06x	\$ 81,496	\$ 541,994
19	\$432,060	\$6,897	\$2,397	\$4,501	\$429,663	1.06x	\$ 76,971	\$ 534,954
20	\$429,663	\$6,897	\$2,422	\$4,476	\$427,241	1.06x	\$ 72,470	\$ 527,913
21	\$427,241	\$6,897	\$2,447	\$4,450	\$424,794	1.06x	\$ 67,994	\$ 520,870
22	\$424,794	\$6,897	\$2,473	\$4,425	\$422,322	1.06x	\$ 63,544	\$ 513,826
23	\$422,322	\$6,897	\$2,498	\$4,399	\$419,823	1.06x	\$ 59,119	\$ 506,780
24	\$419,823	\$6,897	\$2,524	\$4,373	\$417,299	1.06x	\$ 54,720	\$ 499,733
25	\$417,299	\$6,897	\$2,551	\$4,347	\$414,749	1.06x	\$ 50,347	\$ 492,684
26	\$414,749	\$6,897	\$2,577	\$4,320	\$412,171	1.06x	\$ 46,000	\$ 485,633
27	\$412,171	\$6,897	\$2,604	\$4,293	\$409,567	1.06x	\$ 41,679	\$ 478,581
28	\$409,567	\$6,897	\$2,631	\$4,266	\$406,936	1.06x	\$ 37,386	\$ 471,527
29	\$406,936	\$6,897	\$2,659	\$4,239	\$404,278	1.06x	\$ 33,120	\$ 464,472
30	\$404,278	\$6,897	\$2,686	\$4,211	\$401,592	1.06x	\$ 28,881	\$ 457,415
31	\$401,592	\$6,897	\$2,714	\$4,183	\$398,877	1.06x	\$ 24,669	\$ 450,356
32	\$398,877	\$6,897	\$2,742	\$4,155	\$396,135	1.06x	\$ 20,486	\$ 443,296
33	\$396,135	\$6,897	\$2,771	\$4,126	\$393,364	1.06x	\$ 16,331	\$ 436,234
34	\$393,364	\$6,897	\$2,800	\$4,098	\$390,564	1.06x	\$ 12,205	\$ 429,170
35	\$390,564	\$6,897	\$2,829	\$4,068	\$387,735	1.06x	\$ 8,107	\$ 422,105
36	\$387,735	\$6,897	\$2,859	\$4,039	\$384,876	1.06x	\$ 4,039	\$ 415,038
37	\$384,876	\$6,897	\$2,888	\$4,009	\$381,988	1.06x		\$ 407,969
38	\$381,988	\$6,897	\$2,918	\$3,979	\$379,070	1.06x		\$ 400,907
39	\$379,070	\$6,897	\$2,949	\$3,949	\$376,121	1.06x		\$ 393,844
40	\$376,121	\$6,897	\$2,980	\$3,918	\$373,141	1.06x		\$ 386,780
41	\$373,141	\$6,897	\$3,011	\$3,887	\$370,131	1.06x		\$ 379,716
42	\$370,131	\$6,897	\$3,042	\$3,856	\$367,089	1.06x		\$ 372,652
43	\$367,089	\$6,897	\$3,074	\$3,824	\$364,015	1.06x		\$ 365,588
44	\$364,015	\$6,897	\$3,106	\$3,792	\$360,909	1.06x		\$ 358,524
45	\$360,909	\$6,897	\$3,138	\$3,759	\$357,771	1.06x		\$ 351,460
46	\$357,771	\$6,897	\$3,171	\$3,727	\$354,601	1.06x		\$ 344,396
47	\$354,601	\$6,897	\$3,204	\$3,694	\$351,397	1.06x		\$ 337,332
48	\$351,397	\$6,897	\$3,237	\$3,660	\$348,160	1.06x		\$ 330,268
49	\$348,160	\$6,897	\$3,271	\$3,627	\$344,889	1.05x		\$ 323,204
50	\$344,889	\$6,897	\$3,305	\$3,593	\$341,584	1.05x		\$ 316,140
51	\$341,584	\$6,897	\$3,339	\$3,558	\$338,245	1.05x		\$ 309,076
52	\$338,245	\$6,897	\$3,374	\$3,523	\$334,871	1.05x		\$ 302,012
53	\$334,871	\$6,897	\$3,409	\$3,488	\$331,462	1.05x		\$ 294,948
54	\$331,462	\$6,897	\$3,445	\$3,453	\$328,017	1.05x		\$ 287,884
55	\$328,017	\$6,897	\$3,481	\$3,417	\$324,537	1.05x		\$ 280,820
56	\$324,537	\$6,897	\$3,517	\$3,381	\$321,020	1.05x		\$ 273,756
57	\$321,020	\$6,897	\$3,553	\$3,344	\$317,466	1.05x		\$ 266,692
58	\$317,466	\$6,897	\$3,591	\$3,307	\$313,876	1.05x		\$ 259,628
59	\$313,876	\$6,897	\$3,628	\$3,270	\$310,248	1.05x		\$ 252,564
60	\$310,248	\$6,897	\$3,666	\$3,232	\$306,582	1.05x		\$ 245,500

Annual Interest Rate	12.50%
Lease Funding Amount	\$471,214
Buyback Value at the End of the Term	\$1
Term, years	10.0
Commitment Fee	1.0% \$4,712
Monthly Fee Payment ¹	\$6,897

1. All payments to occur at the beginning of the month

Payment Month	A Opening Principal	B Capital Fee	C Principal	D Interest	E=A-C Closing Principal	F Buyout Ratio	G Early Termination	(A * F)+G Buyout Amount
61	\$306,582	\$6,897	\$3,704	\$3,194	\$302,878	1.04x		\$ 318,845
62	\$302,878	\$6,897	\$3,742	\$3,155	\$299,136	1.04x		\$ 314,993
63	\$299,136	\$6,897	\$3,781	\$3,116	\$295,354	1.04x		\$ 311,101
64	\$295,354	\$6,897	\$3,821	\$3,077	\$291,533	1.04x		\$ 307,168
65	\$291,533	\$6,897	\$3,861	\$3,037	\$287,673	1.04x		\$ 303,195
66	\$287,673	\$6,897	\$3,901	\$2,997	\$283,772	1.04x		\$ 299,180
67	\$283,772	\$6,897	\$3,941	\$2,956	\$279,830	1.04x		\$ 295,123
68	\$279,830	\$6,897	\$3,983	\$2,915	\$275,848	1.04x		\$ 291,024
69	\$275,848	\$6,897	\$4,024	\$2,873	\$271,824	1.04x		\$ 286,882
70	\$271,824	\$6,897	\$4,066	\$2,831	\$267,758	1.04x		\$ 282,697
71	\$267,758	\$6,897	\$4,108	\$2,789	\$263,650	1.04x		\$ 278,468
72	\$263,650	\$6,897	\$4,151	\$2,746	\$259,498	1.04x		\$ 274,196
73	\$259,498	\$6,897	\$4,194	\$2,703	\$255,304	1.02x		\$ 264,688
74	\$255,304	\$6,897	\$4,238	\$2,659	\$251,066	1.02x		\$ 260,410
75	\$251,066	\$6,897	\$4,282	\$2,615	\$246,784	1.02x		\$ 256,087
76	\$246,784	\$6,897	\$4,327	\$2,571	\$242,457	1.02x		\$ 251,720
77	\$242,457	\$6,897	\$4,372	\$2,526	\$238,085	1.02x		\$ 247,306
78	\$238,085	\$6,897	\$4,417	\$2,480	\$233,668	1.02x		\$ 242,847
79	\$233,668	\$6,897	\$4,463	\$2,434	\$229,204	1.02x		\$ 238,341
80	\$229,204	\$6,897	\$4,510	\$2,388	\$224,695	1.02x		\$ 233,789
81	\$224,695	\$6,897	\$4,557	\$2,341	\$220,138	1.02x		\$ 229,188
82	\$220,138	\$6,897	\$4,604	\$2,293	\$215,533	1.02x		\$ 224,540
83	\$215,533	\$6,897	\$4,652	\$2,245	\$210,881	1.02x		\$ 219,844
84	\$210,881	\$6,897	\$4,701	\$2,197	\$206,180	1.02x		\$ 215,099
85	\$206,180	\$6,897	\$4,750	\$2,148	\$201,430	1.02x		\$ 210,304
86	\$201,430	\$6,897	\$4,799	\$2,098	\$196,631	1.02x		\$ 205,459
87	\$196,631	\$6,897	\$4,849	\$2,048	\$191,782	1.02x		\$ 200,564
88	\$191,782	\$6,897	\$4,900	\$1,998	\$186,882	1.02x		\$ 195,618
89	\$186,882	\$6,897	\$4,951	\$1,947	\$181,932	1.02x		\$ 190,620
90	\$181,932	\$6,897	\$5,002	\$1,895	\$176,929	1.02x		\$ 185,570
91	\$176,929	\$6,897	\$5,054	\$1,843	\$171,875	1.02x		\$ 180,468
92	\$171,875	\$6,897	\$5,107	\$1,790	\$166,768	1.02x		\$ 175,312
93	\$166,768	\$6,897	\$5,160	\$1,737	\$161,607	1.02x		\$ 170,103
94	\$161,607	\$6,897	\$5,214	\$1,683	\$156,393	1.02x		\$ 164,840
95	\$156,393	\$6,897	\$5,268	\$1,629	\$151,125	1.02x		\$ 159,521
96	\$151,125	\$6,897	\$5,323	\$1,574	\$145,802	1.02x		\$ 154,147
97	\$145,802	\$6,897	\$5,379	\$1,519	\$140,423	1.02x		\$ 148,718
98	\$140,423	\$6,897	\$5,435	\$1,463	\$134,988	1.02x		\$ 143,232
99	\$134,988	\$6,897	\$5,491	\$1,406	\$129,497	1.02x		\$ 137,688
100	\$129,497	\$6,897	\$5,549	\$1,349	\$123,949	1.02x		\$ 132,087
101	\$123,949	\$6,897	\$5,606	\$1,291	\$118,342	1.02x		\$ 126,427
102	\$118,342	\$6,897	\$5,665	\$1,233	\$112,677	1.02x		\$ 120,709
103	\$112,677	\$6,897	\$5,724	\$1,174	\$106,954	1.02x		\$ 114,931
104	\$106,954	\$6,897	\$5,783	\$1,114	\$101,170	1.02x		\$ 109,093
105	\$101,170	\$6,897	\$5,844	\$1,054	\$95,327	1.02x		\$ 103,194
106	\$95,327	\$6,897	\$5,904	\$993	\$89,422	1.02x		\$ 97,233
107	\$89,422	\$6,897	\$5,966	\$931	\$83,456	1.02x		\$ 91,211
108	\$83,456	\$6,897	\$6,028	\$869	\$77,428	1.02x		\$ 85,125
109	\$77,428	\$6,897	\$6,091	\$807	\$71,337	1.02x		\$ 78,977
110	\$71,337	\$6,897	\$6,154	\$743	\$65,183	1.02x		\$ 72,764
111	\$65,183	\$6,897	\$6,218	\$679	\$58,965	1.02x		\$ 66,487
112	\$58,965	\$6,897	\$6,283	\$614	\$52,681	1.02x		\$ 60,144
113	\$52,681	\$6,897	\$6,349	\$549	\$46,333	1.02x		\$ 53,735
114	\$46,333	\$6,897	\$6,415	\$483	\$39,918	1.02x		\$ 47,259
115	\$39,918	\$6,897	\$6,482	\$416	\$33,436	1.02x		\$ 40,716
116	\$33,436	\$6,897	\$6,549	\$348	\$26,887	1.02x		\$ 34,105
117	\$26,887	\$6,897	\$6,617	\$280	\$20,270	1.02x		\$ 27,425
118	\$20,270	\$6,897	\$6,686	\$211	\$13,583	1.02x		\$ 20,675
119	\$13,583	\$6,897	\$6,756	\$141	\$6,827	1.02x		\$ 13,855
120	\$6,827	\$6,897	\$6,826	\$71	\$1	1.02x		\$ 6,964

Option to Purchase.

- (a) Lessor hereby grants to Lessee the right and option (the "Purchase Option"), on any date, upon sixty (60) calendar days' prior written notice to Lessor or such earlier notice period as may be agreed upon between Lessor and Lessee, to purchase the Assets in their entirety at a price determined in accordance with the applicable amount listed in the column entitled "Buyout Amount" of the repayment table in this Schedule "B" (the "Buyout Amount").
- (b) The Purchase Option shall be subject to the conditions that: (a) Lessee is not in Default under the Lease, and (b) all Fees have been paid prior to the date of Lessee's exercise of the Purchase Option.
- (c) Upon Lessee's exercise of the Purchase Option granted herein, Lessor will, upon payment of the Buyout Amount and all other amounts due to Lessor by Lessee, deliver or cause to be delivered to Lessee, documents conveying to Lessee all of Lessor's title to the Assets being purchased free and clear of all liens and Liens but otherwise on an as-is, where-is basis; and this Lease shall be deemed terminated as of the date thereof.
- (d) Nothing contained herein shall be construed to provide that Lessee shall be under any obligation to exercise the Purchase Option, or under any obligation respecting the creditors, members or security holders of Lessor.

Schedule "C"

Attached to and forming part of that Asset Lease Agreement dated as of August 9, 2022,
among Norden Finance Inc. and Halo Exploration Ltd.

Quarterly Reporting Certificate

To: Norden Finance Inc.
Attention: Dean Willner

I, _____, hereby certify as of the date of this certificate as follows:

- (a) I am the _____ of Halo Exploration Ltd. ("**Lessee**") and I am authorized to provide this certificate to you for and on behalf of Lessee.
- (b) This certificate applies to the fiscal period ending _____.
- (c) I am familiar with and have examined the provisions of the Asset Lease Agreement ("**Agreement**") dated August 9, 2022 between Lessee and Norden Finance Inc. ("**Lessor**"), and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of Lessee. Terms defined in the Agreement have the same meanings when used in this certificate.
- (d) I certify the _____ (quarterly / annual) financial statements provided herein are complete and true of all material effects.
- (e) There has been no Material Adverse Event.
- (f) There has been no breach of the Crown Lease or notice of breach of the Crown Lease pending or threatened.
- (g) There have been no material environmental damages, Defaults, material litigation, change of Control, any material correspondence with regulators or other relevant parties, including any legal proceedings.
- (h) Lessee has not divested of more than 30% of their assets and / or having a change of Control.
- (i) Lessee has kept each Asset in the same condition such Asset was in at the Commencement Date and is the operator of record of such Asset. Lessee has not made any alterations, modifications additions or improvements to such Asset, other than those that have been consented to in writing by Lessor. Lessee has ensured that any third party dealing with each Asset has taken appropriate care and has acted in accordance with Prudent Industry Practice when so doing.
- (j) Lessee has managed and operated its business or caused its business to be managed and operated (i) in accordance with Prudent Industry Practice in all material respects and in compliance in all material respects with the terms and provisions of all applicable licenses, leases, contracts and agreements, and (ii) in compliance with all Applicable Laws of the jurisdiction in which such businesses are carried on, and all Applicable Laws of every other Governmental Authority from time to time constituted to regulate the ownership, management and operation of such businesses.

- (k) The Assets continue to be located in the province of Alberta (the "**Location**"), except as permitted by Section 18 of the Agreement.
- (l) The Assets continue to be a critical operating asset in Lessee's business.
- (m) No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute a breach of any covenant or other term or condition of the Agreement, and there is no reason to believe that during the next fiscal quarter of Lessee, any such event or circumstance will occur.
- (n) As applicable, attached is maintenance and repair reporting, which the Agreement requires be provided by Lessee to Lessor on an annual basis.

This certificate is given by the undersigned officer in his/her capacity as an officer of Lessee without any personal liability on the part of such officer. This certificate may be executed electronically and may be delivered by email, facsimile or other functionally equivalent means.

Dated this _____ day of _____.

HALO EXPLORATION LTD.

By: _____
Name:

Title:

This is **Exhibit "F"** to the Affidavit of Nicholas Heffernan
sworn before me this 9th day of February 2026.



Notary Public/Commissioner for Oaths in and for Alberta

Stephen Kroeger
Barrister & Solicitor

Search ID #: Z19686870

Transmitting Party

OSLER HOSKIN & HARCOURT LLP

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

Party Code: 50084029
Phone #: 403 592 7120
Reference #: PPRKroeger

Search ID #: Z19686870

Date of Search: 2026-Feb-05

Time of Search: 09:17:46

Business Debtor Search For:

HALO EXPLORATION LTD.

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 #: Z19686870

Business Debtor Search For:

HALO EXPLORATION LTD.

Search ID #: Z19686870

Date of Search: 2026-Feb-05

Time of Search: 09:17:46

Registration Number: 21083113233

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Aug-31

Registration Status: Current

Expiry Date: 2026-Aug-31 23:59:59

Inexact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 HALO EXPLORATION
#400, 1333 - 8TH STREET SW
CALGARY, AB T2R1M6

Current

Secured Party / Parties

Block

Status

1 BIDELL GAS COMPRESSION LTD.
6900 - 112TH AVE SE
CALGARY, AB T2C 4Z1
Email: tpallister@bidell.com

Current

Collateral: General

Block

Description

Status

1 One (1) Bidell Equipment Compressor trailer mounted compressor unit number 17-1081 including (1) GEMINI, PD2 frame and (1) G3304NA engine. Enclosed in self-framing steel building. Includes rig mats and hoses. Together with compressor, all ancillary piping and accessories, system controls, instrumentation, valves, scrubbers, piping, hoses, mats, skids and other parts of any kind and equipment attached to or forming part of such compressor unit at any time, whether or not attached, together with the self framing metal building in which the foregoing is contained and all components or other parts or equipment of any kind which may from time to time be incorporated or attached thereto. All rights to money or other value payable under insurance policies in respect of the foregoing. Proceeds: goods, inventory, chattel paper, documents of title, instruments, money, intangibles, accounts and investment property (all as defined in the Personal Property Security Act) and insurance proceeds.

Current

Search ID #: Z19686870

Business Debtor Search For:

HALO EXPLORATION LTD.

Search ID #: Z19686870

Date of Search: 2026-Feb-05

Time of Search: 09:17:46

Registration Number: 21122015536

Registration Date: 2021-Dec-20

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2026-Dec-20 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

23121413131	Renewal	2023-Dec-14
24120317838	Renewal	2024-Dec-03

Debtor(s)

Block

Status

1 HALO EXPLORATION LTD.
400, 1333 - 8 STREET SW
CALGARY, AB T2R 1M6

Current

Secured Party / Parties

Block

Status

1 BULL MOOSE CAPITAL LTD.
500, 505- 8TH AVENUE SW
CALGARY, AB T2P 1G2
Phone #: 403 234 7204 Fax #: 403 264 7306
Email: LPSmith@bullmoosecapital.ca

Current

Collateral: General

Block

Description

Status

1 One (1) natural gas compressor (and all related parts and accessories) having Unit #31306 as described in Schedule "A" to the lease agreement dated December 10, 2021 between Bull Moose Capital Ltd., as Lessor, and Halo Exploration Ltd., as Lessee. Current

PROCEEDS: GOODS, INVENTORY, CHATTEL PAPER, SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES AND ACCOUNTS (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT) AND INSURANCE PROCEEDS.

Search ID #: Z19686870

Business Debtor Search For:

HALO EXPLORATION LTD.

Search ID #: Z19686870

Date of Search: 2026-Feb-05

Time of Search: 09:17:46

Registration Number: 22032108180

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Mar-21

Registration Status: Current

Expiry Date: 2034-Mar-21 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

25100324166

Amendment

2025-Oct-03

Debtor(s)

Block

Status

Current

1 HALO EXPLORATION LTD.
400, 1333 - 8 STREET SW
CALGARY, AB T2R 1M6

Secured Party / Parties

Block

Status

Deleted by
25100324166

1 NORDEN FINANCE INC.
285028 FRONTIER ROAD
ROCKY VIEW COUNTY, AB T1X 0V9
Email: nheffernan@northbasefinance.com

Block

Status

Current by
25100324166

2 NORTHBASE FINANCE INC.
285028 FRONTIER ROAD
ROCKY VIEW COUNTY, AB T1X 0V9
Email: nheffernan@northbasefinance.com

Search ID #: Z19686870

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL OF DEBTOR'S RIGHT, TITLE AND INTEREST IN AND TO THE ASSETS, WHEREVER LOCATED AND ALL PROCEEDS AND PERSONAL PROPERTY DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE ASSETS.	Current

"ASSETS" MEANS THOSE ITEMS OF PERSONAL PROPERTY DESCRIBED IN SCHEDULE "A" AND "ASSET" REFERS TO ANY ONE OF THEM.

FOR GREATER CERTAINTY, ASSETS INCLUDES ALL EQUIPMENT AND GOODS PROVIDED TO THE DEBTOR BY THE SECURED PARTY PURSUANT TO AN ASSET LEASE AGREEMENT NO. NB-2202 DATED ON OR ABOUT MARCH 18, 2022, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	<p>Schedule "A" - Part 1 Equipment Description Make Model Year Serial No. Tank Farm 1000 BBL 16 Oz Insulated, Coated, Heated Slop Tank Shield Industries Ltd 12 - API 650 MOD 2018 102-009 2000 BBL 16 Oz Insulated, Coated, Heated Water Tank Shield Industries Ltd 12 - API 650 MOD 2018 102-008 2000 BBL 16 Oz Oil Sales Tank Shield Industries Ltd 12 - API 650 MOD 2018 102-007</p> <p>Treater 120" x 40' 75 PSI Horizontal Sour Treater Package Fre-Flo Oil Industries Ltd 76868 2018 also including, but not limited to: Black Gold Burner Black Gold Industries Ltd. FA-36-24IHR 2018 FA090418-02 Black Gold Burner Black Gold Industries Ltd. FA-36-24IHL 2018 FA090418-01 ProFire Control Panel Profire 2100 2018 Pump, Manifold Fre-Flo Oil Industries Ltd 8x36SCR 2018 6500 Dual Chamber Orifice Canalta 615DC40 2018 D061043 Primary treater tank Fre-Flo Oil Industries Ltd 10 X 40 2018 6498</p>	Current

Search ID #: Z19686870

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
2	<p>Schedule "A" - Part 2 Equipment Description Make Model Year Serial No. Pump and Instrument Buildings Pumps Building PKG 76864; KPS Industries 76864 2018 016337-02 also including, but not limited to: FloTech Pump 1 FlowTech Pump 3FL6CDYAAAASSY 2018 3137454-001 FloTech Pump 2 FlowTech Pump 3FL6CDYAAAASSY 2018 3137454-002 PSV 1 Anderson Greenwood Crosby 951100MFA 2018 1101-1807-145782 PSV 2 Anderson Greenwood Crosby 951100MFA 2018 1101-1801-118663</p> <p>Sales Gas Metering Package PKG 76866 KPS Industries 76866 2018 also including, but not limited to: Flow Measurement Canalta 600 2018 FE-0801 Flow Measurement Orifice Canalta 660DC80 2018 D0600545 Control Valve Fisher Controls D4 2018 17741238 Vessel Penfabco Ltd. 681721 2018 14385</p> <p>Flare Stack and FKOD's 40 BBL 14.9 PSI FKOD FlareTech Inc. 2018 18-1143-1 25 BBL 14.9 PSI FKOD FlareTech Inc. 2018 18-1143-2 8"-6" x 65' Freestanding Flare Stack FlareTech Inc. 2018 18-1143</p>	Current
3	<p>Schedule "A" - Part 3 Power Generation Equipment Description Make Model Year Serial No. 550 kW CAT G3512LE Nat Gas Generator Package Caterpillar (Engine) G3512LE - 273-3066 2018 WRP00118 also including, but not limited to: Cooler Nowest Cooling Systems 6/4 ROW MK8 2013 14611 Kato Generator Belair Power & Production Equipment G3512B-NS-EG 2013 BP220 Transformer (480V0) Hammond Power Solutions NMK015KB 2018 Synchro Generator Belair Power & Production Equipment P309116 2018 92280-2</p>	Current
4	<p>Schedule "A" - Part 4 Equipment Description Make Model Year Serial No. MCC Building and Electrical Equipment MCC and Instrument Air Building KPS Industries 74569 2018 also including, but not limited to: HVAC - 1800 Bard Manufacturing W72AB 2018 405M183596625-02 HVAC - 1801 Bard Manufacturing W72AB 2018 405M183596236-02 Main Compressor Eagle Pump & Compressor 200-1379 2021 911722-1 Secondary Compressor Eagle Pump & Compressor 200-1379 2021 911722-2 Control Panel Eagle Pump & Compressor EV06NK-25240DD80 2021 EV-0221-47288-001</p> <p>Main Vessel SteelFab A10131 2018 SC-2785 Main Vessel 2 Manchester Tank 302428 2019 2195137 Main Vessel 3 Manchester Tank 302428 2019 2195142 Roto Pump Rotorcomp Verdichter EV06-NK 2019 SC398100 Roto Pump Rotorcomp Verdichter EV06-NK 2019 SC330871</p>	Current

Search ID #: Z19686870

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
5	<p>Schedule "A" - Part 5 Equipment Description Make Model Year Serial No. H2S Scavenger Skids 36" 1440 PSI Ultrafab Sweetening Package UltraFab 76868 2016 also including, but not limited to: Vessel-1 Global Process Equipment Inc. 660820 2016 16-065-1 Sweet Tank UltraFab / Nalco 660820 100bbl 179-401 Vessel-2 Global Process Equipment Inc. 660455 2015 15-047-8</p> <p>36" 1440 PSI Ultrafab Sweetening Package UltraFab 76867 2016 also including, but not limited to: Vessel-1 Reece Custom Process Equipment Inc 598251 2018 18-094 Vessel-2 Reece Custom Process Equipment Inc 679407 2018 18-085 Tank UltraFab / Nalco 2018 VGS1184 Tank - 100 BBL UltraFab / Nalco 100bbl 2018 189-412</p>	Current
6	<p>Schedule "A" - Part 6 Equipment Description Make Model Year Serial No. Test Separator Header Package 36" OD x 10" S/S 740 PSI Vertical Test Separator Package w/6 well Manifold Cape Manufacturing 74571 2016 also including, but not limited to: Vertical Separator Vessel Cape Manufacturing 36X10SS 2016 V-150471</p> <p>Inlet Slug Catcher/Separator 96" x 40' 460 PSI Sour Horizontal Separator Package Cape Manufacturing 74570 2021 Bridal Vessel 1 Cape Manufacturing S/S Bridal 3.9X4 2021 B-211620-1 Horizontal Separator Vessel Cape Manufacturing 96X40 2021 V-211620 Bridal Vessel 2 Cape Manufacturing S/S Bridal 4X 2021 B-211620-2</p>	Current
7	<p>Schedule "A" - Part 7 Equipment Description Make Model Year Serial No. Pumpjack Weatherford 912 Pumpjack - Engine Driven Weatherford / Arrow 912 2014 SP211 HP3</p> <p>Separator Package 24" x 10' (est) 1415 PSI Sour Inlet Separator Package Plains Oil Ltd 76869 Inlet Separator Plains Oil Ltd 670527 2000 2612 V140 Flow Valve Flow Control Oil & Gas Inc. 06-14C06RT3G GS 2000 3734-81</p> <p>Storage 40' Sea Container and Contents NA CPPU638724 2001 XCMC85000084</p>	Current

Search ID #: Z19686870

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
8	Schedule "A" - Part 8 Equipment Description Make Model Year Serial No. Sales Gas Compressor Caterpillar G3512LE Ariel JGE/4 3-Stage Sour Compressor Package Caterpillar (engine) 3512 le 2010 7NJ01288 also including, but not limited to: Air Cooler AXH Air Coolers, LLC 67859B 2007 67859B.5 Air Cooler AXH Air Coolers, LLC 67859B 2007 67859B.4 Exhaust Emit ELH35501010F-3 C6E-24T 2007 70303-0002-00002 Compressor Propak Compression Services B-0700 2010 C68296-100 Electrical Panel Propak Compression Services CPC-100 2021 068296-146 First Stage Suction Scubber Propak Systems Ltd 593771 2009 068296-101 First Stage Suction Bottle Propak Systems Ltd 593742 2009 068296-105	Current

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
9	Schedule "A" - Part 9 Equipment Description Make Model Year Serial No. continued from Caterpillar G3512LE Ariel JGE/4 3-Stage Sour Compressor Package above - also including, but not limited to: Compressor 1 Ariel Corporation 635PSIET 2009 C-78022 Compressor 2 Ariel Corporation 635PSIET 2009 C-78024 Compressor 3 Ariel Corporation 635PSIET 2009 C-78021 Compressor 4 Ariel Corporation 635PSIET 2009 C-78023 Second Stage Suction Scubber Propak Systems Ltd 593735 2009 068296-102 Second Stage Suction Bottle Propak Systems Ltd 593749 2009 068296-107 Third Stage Suction Scubber Propak Systems Ltd 593778 2009 068296-103 Third Stage Suction Bottle Propak Systems Ltd 593748 2009 068296-109	Current

Search ID #: Z19686870

Business Debtor Search For:

HALO EXPLORATION LTD.

Search ID #: Z19686870

Date of Search: 2026-Feb-05

Time of Search: 09:17:46

Registration Number: 22062929238

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Jun-29

Registration Status: Current

Expiry Date: 2034-Jun-29 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

25100324191

Amendment

2025-Oct-03

Debtor(s)

Block

Status

Current

1 HALO EXPLORATION LTD.
400, 1333 - 8 STREET SW
CALGARY, AB T2R 1M6

Secured Party / Parties

Block

Status

Deleted by
25100324191

1 NORDEN FINANCE INC.
285028 FRONTIER ROAD
ROCKY VIEW COUNTY, AB T1X 0V9
Email: nheffernan@northbasefinance.com

Block

Status

Current by
25100324191

2 NORTHBASE FINANCE INC.
285028 FRONTIER ROAD
ROCKY VIEW COUNTY, AB T1X 0V9
Email: nheffernan@northbasefinance.com

Search ID #: Z19686870

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	<p>ALL OF DEBTOR'S RIGHT, TITLE AND INTEREST IN AND TO THE ASSETS, WHEREVER LOCATED AND ALL PROCEEDS AND PERSONAL PROPERTY DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE ASSETS.</p> <p>"ASSETS" MEANS THOSE ITEMS OF PERSONAL PROPERTY DESCRIBED IN SCHEDULE "A" AND "ASSET" REFERS TO ANY ONE OF THEM.</p> <p>FOR GREATER CERTAINTY, ASSETS INCLUDES ALL EQUIPMENT AND GOODS PROVIDED TO THE DEBTOR BY THE SECURED PARTY PURSUANT TO AN ASSET LEASE AGREEMENT NO. NB-2209 DATED ON OR ABOUT JUNE 28, 2022, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.</p>	Current

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	<p>Schedule "A" Unit # C513 RF2 Compass sweet gas package consisting of: Ariel JG/J2 two throw, two stage natural gas compressor STAGE 1: One (1) 8.00" x 3.00" stroke cylinder rated 800 psig STAGE 2: One (1) 5.50" x 3.00" stroke cylinder rated at 1725 psig Waukesha F18GL natural gas engine rated 400 bhp @ 1800 rpm Air-X model 93 AVI induced draft cooler assembly MicroLogix based control panel c/w accessories</p>	Current

Search ID #: Z19686870

Business Debtor Search For:

HALO EXPLORATION LTD.

Search ID #: Z19686870

Date of Search: 2026-Feb-05

Time of Search: 09:17:46

Registration Number: 22081213689

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Aug-12

Registration Status: Current

Expiry Date: 2034-Aug-12 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

25100324093

Amendment

2025-Oct-03

Debtor(s)

Block

Status

Current

1 HALO EXPLORATION LTD.
400, 1333 - 8 STREET SW
CALGARY, AB T2R 1M6

Secured Party / Parties

Block

Status

Deleted by
25100324093

1 NORDEN FINANCE INC.
285028 FRONTIER ROAD
ROCKY VIEW COUNTY, AB T1X 0V9
Email: nheffernan@northbasefinance.com

Block

Status

Current by
25100324093

2 NORTHBASE FINANCE INC.
285028 FRONTIER ROAD
ROCKY VIEW COUNTY, AB T1X 0V9
Email: nheffernan@northbasefinance.com

Search ID #: Z19686870

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL OF DEBTOR'S RIGHT, TITLE AND INTEREST IN AND TO THE ASSETS, WHEREVER LOCATED AND ALL PROCEEDS AND PERSONAL PROPERTY DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE ASSETS.	Current

"ASSETS" MEANS THOSE ITEMS OF PERSONAL PROPERTY DESCRIBED IN SCHEDULE "A" AND "ASSET" REFERS TO ANY ONE OF THEM.

FOR GREATER CERTAINTY, ASSETS INCLUDES ALL EQUIPMENT AND GOODS PROVIDED TO THE DEBTOR BY THE SECURED PARTY PURSUANT TO AN ASSET LEASE AGREEMENT NO. NB-2211 DATED ON OR ABOUT AUGUST 9, 2022, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	Schedule "A"	Current

Unit # C-1387

Compass Energy Systems Ltd. sweet vapour recovery compressor package consisting of:

- Stage 1: Ro-Flo 8DE rotary vane compressor
- Stage 2: Ro-Flo HP11 rotary vane compressor
- Stage 1: TECO electric motor 60 hp @ 1200rpm, 460V/3Ph/60Hz
- Stage 2: TECO electric motor 125 hp @ 900rpm, 460V/3Ph/60Hz
- AXH model 81BVI aerial glycol cooler
- AIC brazed plate gas intercooler & aftercooler
- Spartan Controls REMVue PLC based control panel

Search ID #: Z19686870

Business Debtor Search For:

HALO EXPLORATION LTD.

Search ID #: Z19686870

Date of Search: 2026-Feb-05

Time of Search: 09:17:46

Registration Number: 22100716551

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Oct-07

Registration Status: Current

Expiry Date: 2027-Oct-07 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

25010621899	Amendment	2025-Jan-06
25010624375	Amendment	2025-Jan-06

Debtor(s)

Block

Status

1 HALO EXPLORATION LTD.
SUITE 400, 1333 8TH STREET SW
CALGARY, AB T2R 1M6

Current

Secured Party / Parties

Block

Status

1 INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP
600, 209 - 8TH AVENUE SW
CALGARY, AB T2P 1B8
Email: amtaylor@invicocapital.com

Deleted by
25010624375

Block

Status

2 INVICO DIVERSIFIED INCOME MANAGING GP INC.
600, 209 - 8TH AVENUE SW
CALGARY, AB T2P 1B8
Email: amtaylor@invicocapital.com

Deleted by
25010624375

Block

Status

3 INVICO LENDING STRATEGIES LP
600, 209 - 8TH AVENUE SW
CALGARY, AB T2P 1B8
Email: amtaylor@invicocapital.com

Current by
25010621899

Search ID #: Z19686870

Block

4 INVICO LENDING STRATEGIES GP INC.
600, 209 - 8TH AVENUE SW
CALGARY, AB T2P 1B8
Email: amtaylor@invicocapital.com

Status

Current by
25010621899

Collateral: General

Block

Description

Status

1	All present and after-acquired personal property of the debtor.	Current
2	Proceeds: all goods, documents of title, chattel paper, instruments, money, investment property and intangibles.	Current

Particulars

Block

Additional Information

Status

1	Invico Lending Strategies LP and Invico Lending Strategies GP Inc. as secured parties 3 and 4, respectively, are successors in interest to secured party 1, Invico Diversified Income Limited Partnership and secured party 2, Invico Diversified Income Managing GP Inc., respectively, pursuant to a Loan and Security Assignment and Assumption Agreement effective as of December 1, 2024.	Current By 25010621899
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Search ID #: Z19686870

Business Debtor Search For:

HALO EXPLORATION LTD.

Search ID #: Z19686870

Date of Search: 2026-Feb-05

Time of Search: 09:17:46

Registration Number: 22100716604

Registration Type: LAND CHARGE

Registration Date: 2022-Oct-07

Registration Status: Current

Registration Term: Infinity

Exact Match on: Debtor No: 1

Amendments to Registration

25010621924	Amendment	2025-Jan-06
25010624392	Amendment	2025-Jan-06

Debtor(s)

Block

Status

1 HALO EXPLORATION LTD.
SUITE 400, 1333 8TH STREET SW
CALGARY, AB T2R 1M6

Current

Secured Party / Parties

Block

Status

1 INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP
600, 209 - 8TH AVENUE SW
CALGARY, AB T2P 1B8
Email: amtaylor@invicocapital.com

Deleted by
25010624392

Block

Status

2 INVICO DIVERSIFIED INCOME MANAGING GP INC.
600, 209 - 8TH AVENUE SW
CALGARY, AB T2P 1B8
Email: amtaylor@invicocapital.com

Deleted by
25010624392

Block

Status

3 INVICO LENDING STRATEGIES LP
600, 209 - 8TH AVENUE SW
CALGARY, AB T2P 1B8
Email: amtaylor@invicocapital.com

Current by
25010621924

Search ID #: Z19686870

Block

4 INVICO LENDING STRATEGIES GP INC.
600, 209 - 8TH AVENUE SW
CALGARY, AB T2P 1B8
Email: amtaylor@invicocapital.com

Status

Current by
25010621924

Particulars

Block

Additional Information

Status

1 Invico Lending Strategies LP and Invico Lending Strategies GP Inc. as secured parties 3 and 4, respectively, are successors in interest to secured party 1, Invico Diversified Income Limited Partnership and secured party 2, Invico Diversified Income Managing GP Inc., respectively, pursuant to a Loan and Security Assignment and Assumption Agreement effective as of December 1, 2024. Current By
25010621924

Search ID #: Z19686870

Business Debtor Search For:

HALO EXPLORATION LTD.

Search ID #: Z19686870

Date of Search: 2026-Feb-05

Time of Search: 09:17:46

Registration Number: 24052824920

Registration Type: SECURITY AGREEMENT

Registration Date: 2024-May-28

Registration Status: Current

Expiry Date: 2034-May-28 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 HALO EXPLORATION LTD.
400, 1333 8TH STREET SW
CALGARY, AB T2R 1M6

Current

Secured Party / Parties

Block

Status

1 JOURNEY ENERGY INC.
SUITE 700, CENTRE10, 517 - 10TH AVE SW
CALGARY, AB T2R 0A8
Email: mineralcontract@journeyenergy.ca

Current

Collateral: General

Block

Description

Status

1 All right, title and interest of Debtor in and to the royalty lands set out and described in the Farmout, Option and Non-Convertible Overriding Royalty Agreement dated July 6, 2017 originally between Halo Exploration Ltd. and Enerplus Corporation, including the petroleum substances within, upon or under the royalty lands, or produced therefrom, including the following wells and equipment thereon: 100/02-20-065-22W5/00; 102/02-20-065-22W5/00; 103/10-20-065-22W5/00 and 102/11-01-065-23W5/00.

Current

Search ID #: Z19686870

Business Debtor Search For:

HALO EXPLORATION LTD.

Search ID #: Z19686870

Date of Search: 2026-Feb-05

Time of Search: 09:17:46

Registration Number: 24052824940

Registration Type: LAND CHARGE

Registration Date: 2024-May-28

Registration Status: Current

Registration Term: Infinity

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 HALO EXPLORATION LTD.
400, 1333 8TH STREET SW
CALGARY, AB T2R 1M6

Current

Secured Party / Parties

Block

Status

1 JOURNEY ENERGY INC.
SUITE 700, CENTRE10, 517 - 10TH AVE SW
CALGARY, AB T2R 0A8
Email: mineralcontract@journeyenergy.ca

Current

Particulars

Block

Additional Information

Status

1 Journey Energy Inc. as holder of a royalty over the royalty lands set out and described in the Farmout, Option and Non-Convertible Overriding Royalty Agreement dated July 6, 2017 originally between Halo Exploration Ltd. and Enerplus Corporation has a lien over Halo Exploration Ltd.'s working interest in the royalty lands, the petroleum substances within, upon or under the royalty lands, or produced therefrom, including the following wells and equipment thereon: 100/02-20-065-22W5/00; 102/02-20-065-22W5/00; 103/10-20-065-22W5/00 and 102/11-01-065-23W5/00.

Current

Search ID #: Z19686870

Business Debtor Search For:

HALO EXPLORATION LTD.

Search ID #: Z19686870

Date of Search: 2026-Feb-05

Time of Search: 09:17:46

Registration Number: 25031422036

Registration Type: SECURITY AGREEMENT

Registration Date: 2025-Mar-14

Registration Status: Current

Expiry Date: 2030-Mar-14 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 HALO EXPLORATION LTD.
800, 333 - 7 AVE SW
CALGARY, AB T2P 2Z1

Current

Secured Party / Parties

Block

Status

1 ROSKA DBO INC.
2250, 10104 - 103 AVE
EDMONTON, AB T5J 0H8
Email: kellypal@telusplanet.net

Current

Collateral: General

Block

Description

Status

1 Temporary Process Rental Equipment including:

Current

1 - 6FT x 60IN Portable Flare Stack with Electronic Ignitor - R654 VIN
2A9FFC2W9CP165776 Year Built 2013 Model: F6-60 Black Vehicle Make: AB Flares
Licence Plate: 4NZ759 AB

1 - Flare Knock Out Drum 72FT x 96IN - FKO035 SN 10343 Manufacturer: Prism
Integrated Year Built 2015

1 - 3IN CL2500 Choke Valve

1 - 3IN Pneumatic ESD Valve

Search ID #: Z19686870

Business Debtor Search For:

HALO EXPLORATION LTD.

Search ID #: Z19686870

Date of Search: 2026-Feb-05

Time of Search: 09:17:46

Registration Number: 26012809709

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2026-Jan-28

Registration Status: Current

Expiry Date: 2028-Jan-28 23:59:59

Issued in Edmonton Judicial Centre

Court File Number is 2503 20091

Judgment Date is 2025-Dec-18

This Writ was issued on 2026-Jan-24

Type of Judgment is Other

Original Judgment Amount: \$26,652.34

Costs Are: \$1,569.42

Post Judgment Interest: \$0.00

Current Amount Owing: \$28,221.76

Exact Match on:

Debtor

No: 1

Solicitor / Agent

BISHOP & MCKENZIE LLP (B&S)
2300, 10180 - 101 STREET
EDMONTON, AB T5J1V3

Phone #: 780 426 5550

Fax #: 780 426 1305

Reference #: 106272-014

Email: ppr@bmlp.ca

Debtor(s)

Block

Status

Current

1 HALO EXPLORATION LTD.
800, 333 7TH AVENUE SW
CALGARY, AB T2P 2Z1

Creditor(s)

Block

Status

Current

1 770970 ALBERTA LTD.
C/O 2300, 10180 101 ST
EDMONTON, AB T5J 1V3

Search ID #: Z19686870

Email: ppr@bmlp.ca

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	PLAINTIFF: 770970 ALBERTA LTD., OPERATING AS 3 BOYS TANK/VAC, ALSO KNOWN AS 3 BOYS TANK/VAC TRUCKS, ALSO KNOWN AS 3BOYS TANK AND VAC TRUCKS.	Current

Result Complete

This is **Exhibit "G"** to the Affidavit of Nicholas Heffernan
sworn before me this 9th day of February 2026.



Notary Public/Commissioner for Oaths in and for Alberta

Stephen Kroeger
Barrister & Solicitor

From: Van de Mosselaer, Randal
Sent: Thursday, February 05, 2026 5:43 PM
To: Robyn Gurofsky; David LeGeyt; Kaitlyn Wong; Ryan Algar;
deryck.helkaa@fticonsulting.com; dustin.olver@fticonsulting.com
Cc: Kroeger, Stephen
Subject: RE: [EXT] Invico Lending Strategnding Strategies GP Inc. v Halo Exploration Ltd. Court of King's Bench of Alberta, Action No. 2601-01970 - Application Scheduled on Tuesday February 10, 2026 at 2:00 p.m.

All,

As you are aware, we are counsel to Northbase Finance Inc. (as successor in interest to Norden Finance Inc.) ("**Northbase**"), a lessor/secured creditor of Halo Exploration Ltd. ("**Halo**"). We write in response to various issues arising out of the application materials which we have received for an application in the captioned action returnable at 2:00 p.m. on February 10, 2026 for the appointment of a Receiver and the approval of a SISP.

Our client has a number of concerns with respect to this application, namely:

1. At paragraph 8 of his January 30, 2026 Affidavit Mr. Jenkins says that: "Invico is Halo's lender, holding a fixed and floating security interest registered in first position over all of Halo's assets, as further detailed below." This statement is demonstrably incorrect, as is clear from Mr. Jenkin's own evidence. The Alberta Personal Property Registry search results at Exhibit "K" of Mr. Jenkins' affidavit shows several registrations which are registered in priority to Invico's October 7, 2022 registration, including three registrations by Northbase (dated March 21, June 29, and August 12, all in 2022). There are also two additional prior registrations by Biddell Gas Compression and Bull Moose Capital Ltd. While we have no information with respect to whether there are any intercreditor/subordination agreements between Invico and these other secured creditors, there certainly are no such agreements between Invico and Northbase. (And Mr. Jenkins' affidavit makes no mention of any such agreements.) As a result, our client will be filing an affidavit to correct Mr. Jenkins' evidence on this point.
2. Accordingly, our client is currently considering its position with respect to Invico's application, and whether it wishes to have its collateral included in the Receiver's appointment and in the scope of the proposed SISP (which we just received yesterday). However, we can advise that at a minimum our client is concerned with respect to the prospect of having the proposed Receiver's Charge and Receiver's Borrowing Charge (as those terms are defined in the draft Receivership Order) being allowed to prime our client's security interest in its collateral.
3. That said, our client would be prepared to allow its collateral to be included in the SISP for now, while reserving its right to seek to have its collateral removed from the SISP process (with Northbase then taking its own enforcement steps against its collateral) after the non-binding LOI Bid Deadline (i.e. March 27, 2026) (depending on its view of the results the SISP), provided:
 - a. An agreement is reached with respect to the allocation of the Receiver's Charge and the Receiver's Borrowing Charge between Northbase's collateral and Halo's other assets;
 - b. Northbase is provided with information about the Non-Binding LOIs and the Binding Bids which are received through the SISP process (in exchange for Northbase's agreement not to be a bidder in the SISP process and to keep this information confidential), and
 - c. The Receiver agrees to make the monthly lease payments to Northbase to which Northbase is entitled under its leases with Halo. Those payments total \$102,800 plus GST, for a total of \$107,940, and are payable on the first day of each month. We note that the cash flow statement attached as Exhibit 2 to Mr. Jenkins' February 4, 2026 Supplemental Affidavit shows a payment of

\$107,940 which was proposed to be made on March 1, 2026, which we presume (given the date and the amount) related to Northbase's lease payment. Please confirm if the Receiver (if appointed) would intend to make that payment (and other lease payments going forward). It is our view that such lease payments should continue to be made.

Please let us know when you might be available to discuss the foregoing.

Regards,

OSLER

Randal Van de Mosselaer

Partner

403.260.7060 | rvandemosselaer@osler.com

Osler, Hoskin & Harcourt LLP | osler.com
