

COURT FILE NUMBER 2401-02680

COURT COURT OF KING'S BENCH
OF ALBERTA

JUDICIAL CENTRE CALGARY

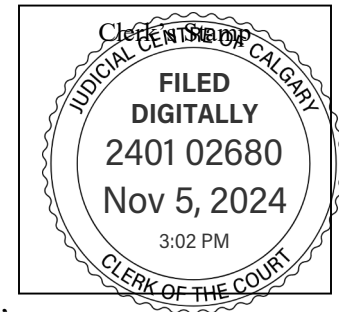
IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
RAZOR ENERGY CORP., RAZOR HOLDINGS
GP CORP., AND BLADE ENERGY SERVICES
CORP.

DOCUMENT **AFFIDAVIT OF GREGORY WHITE**

ADDRESS FOR SERVICE **Fasken Martineau DuMoulin LLP**
AND CONTACT Barristers and Solicitors
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AFFIDAVIT OF GREGORY WHITE

Sworn on November 5, 2024

I, Gregory White, of Miami, Florida, United States of America, SWEAR AND SAY THAT:

1. I am the Manager Director of Natural Resources with Arena Investors LP (“**Arena**”). I have been with Arena for the past nine years, and prior to that I have worked in various industries including with private investment funds focused on energy and oil and gas portfolios. I have primary carriage of the credit relationship between Arena and the Applicants as further detailed and discussed below. As such I have personal knowledge of the matters stated herein, except to the extent such

knowledge is based on information and belief, and where so stated I verily believe the same to be true.

2. I am authorized by Arena to swear this affidavit on its behalf.
3. All monetary amounts expressed herein are references to Canadian dollars, unless otherwise specified.
4. Where I have been advised of certain information by Arena's legal counsel, in no way is my reference herein to such advice intended to waive any solicitor-client privilege.

The Loan, Security and Royalty

5. Arena is a global institutional asset manager that provides capital to various industries and through various financing vehicles, including the natural resources sector.
6. Pursuant to a term loan agreement dated February 16, 2021, Arena, through its affiliate Arena Limited SPV, LLC ("**Arena SPV**"), and 405 Dolomite LLC (the "**405 Dolomite**" and together with Arena SPV the "**Arena Lenders**"), another Arena affiliate, made certain secured term loan facilities available to Razor Royalties Limited Partnership ("**Razor Royalties LP**") by its general partner, Razor Holdings GP Corp. ("**Razor Holdings**"), as borrower (the "**Razor Borrowers**"). This loan agreement was amended and restated on several occasions, culminating in the Second Amended and Restated Term Loan Agreement, dated June 16, 2023 (the "**Loan Agreement**"), which also added as borrower and guarantor Swan Hills Geothermal Power Corp. ("**SHGPC**"), a party which has subsequently been released from its obligations owing to the Arena Lenders pursuant to the Loan Agreement. Pursuant to the Loan Agreement, 405 Dolomite acts as the "**Agent**" thereunder on behalf of the Arena Lenders. A copy of the Loan Agreement is attached hereto as **Exhibit "A"**.
7. Pursuant to the Loan Agreement, the Arena Lenders made available to the Razor Borrowers three senior secured term loan facilities in the initial maximum principal amounts of USD\$11,042,617, USD\$8,833,922, and USD\$11,042,403 (collectively the "**Loan**").
8. As part of the Loan Agreement between the parties, the Razor Borrower's obligations owing to the Arena Lenders under the Loan Agreement were guaranteed by Razor Energy Corp. ("**Razor Energy**"), pursuant to a continuing agreement of guarantee and suretyship dated February 16, 2021

(the “**Guarantee**”). Razor Energy was also a signatory to the Loan Agreement itself. Attached hereto as **Exhibit “B”** is a copy of the Guarantee.

9. As part and parcel of the Arena Lender’s overall agreement to enter into the Loan Agreement, the parties agreed to grant the Arena Lender’s a gross overriding royalty (“**GORR**”) in respect of Razor Energy’s oil and gas production from certain oil and gas mineral leases in Alberta, as more particularly detailed below.
10. Initially, the GORR was going to be purchased from Razor Energy by Arena for its own account and no credit facility was contemplated; however, the tax implications of that arrangement were so onerous, the parties agreed to modify the transaction structure. This resulted in the parties agreeing that a limited partnership (Razor Royalties LP) would be established for the purposes of borrowing funds from Arena to purchase the GORR from Razor Energy, and then subsequently assigning the GORR to Arena. This transaction was consented to by Razor Energy’s then senior secured lender, Alberta Investment Management Corporation (“**AIMCo**”).
11. Notwithstanding this structure, at all material times the Arena Lenders intended that the GORR and subsequent assignment of it to the Agent would constitute an interest in land.
12. In that regard, pursuant to a Royalty Purchase and Sale Agreement dated February 16, 2021, Razor Energy sold the first royalty interest to Razor Royalties LP for a purchase price of \$11,654,513, which purchase price was paid by Razor Royalties LP utilizing the Loan proceeds from the Arena Lenders. Attached hereto and marked as **Exhibit “C”** is a copy of the first Royalty Purchase and Sale Agreement, without the schedule of the mineral property reports appended thereto due to their size.
13. A further Royalty Purchase and Sale Agreement dated August 12, 2021, was entered into between Razor Energy and Razor Royalties LP whereby Razor once again sold royalty interests to Razor Royalties LP, this time for a purchase price of \$7,628,817, which purchase price was once again paid by Razor Royalties LP utilizing the Loan proceeds from the Arena Lenders. Attached hereto and marked as **Exhibit “D”** is a copy of the second Royalty Purchase and Sale Agreement, again without the schedule of the mineral property reports appended thereto due to their size.
14. Together with these Royalty Purchase and Sale Agreements, Razor Energy and Razor Royalties LP are parties to two separate overriding royalty agreements with respective effective dates of February 16, 2021 and August 12, 2021 (together the “**Royalty Agreements**”). Pursuant to the Royalty Agreements, Razor also granted a non-convertible gross overriding royalty (i.e. the GORR) of nine

- percent (9%) of Razor's working interest share of the gross monthly production of all petroleum substances produced from certain lands specified in the respective Royalty Agreements (the "**Royalty Lands**"), in favour of Razor Royalties LP. Attached hereto as **Exhibits "E"** and "**F"** are copies of the Royalty Agreements.
15. Simultaneously, and pursuant to two separate specific assignments of contract also dated February 16, 2021 and August 12, 2021 respectively (together the "**Specific Assignments**"), Razor Royalties LP, by its general partner Razor Holdings, assigned all of Razor Royalties LP's interest in the Royalty Agreements to the Agent as continuing collateral security for performance of Razor Royalties LP's obligations under the Loan Agreement. Attached hereto as **Exhibits "G"** and "**H"** are copies of the Specific Assignments.
 16. Pursuant to two separate amending agreements each dated March 9, 2022 (the "**Royalty Amending Agreements**"), the Royalty Agreements were amended to increase the GORR to 10% (from 9%) of Razor's working interest share of the gross monthly production of all petroleum substances produced from the Royalty Lands. The GORRs were increased as part of a further amendment to the Loan Agreement, and the subsequent advance of the third tranche of the Loan in the principal amount of USD\$11,042,403. Attached hereto as **Exhibits "I"** and "**J"** are copies of the Royalty Amending Agreements.
 17. Through this series of transactions, the proceeds of the Loan Agreement were advanced by the Arena Lenders to Razor Royalties LP, who in turn used the loan proceeds to purchase additional GORRs from Razor Energy. For instance, (i) in August 2021, Arena provided approximately USD\$8,833,922 to Razor Royalties LP through a secured term loan to purchase a 9% GORR from Razor Energy in properties located in Swan Hills that Razor Energy concurrently acquired from Sabre Energy Ltd., and (ii) in February 2022, Arena provided approximately USD\$11,042,403 to Razor Royalties LP (and SHGPC) through a secured term loan to purchase, among other permitted uses, a 1% GORR from Razor Energy on all of its oil and gas properties. Additionally, the repayment schedule under the Loan Agreement was in fact tied to Razor Royalties LP's share (via its ownership of the GORR) of Razor Energy's projected future oil and gas production volumes, with the expectation being that such repayments were secured by the GORR as an interest in land.
 18. The granting of the GORR was critical to Arena's overall willingness to enter into the Loan Agreement, as it formed the basis for Arena's entire valuation of the Loan Agreement. Arena underwrote the Loan Agreement on the basis of the anticipated revenue to be generated from the properties subject to the GORR.

19. Additionally, as security for the Razor Borrower's obligations owing to the Arena Lenders under the Loan Agreement, Arena also obtained, amongst other things:
 - (a) a securities pledge agreement made by Razor Energy in favour of the Agent with respect to all of its limited partnership interests in the Borrower (the "**Borrower Pledge Agreement**"). Attached hereto and marked as **Exhibit "K"** is a copy of the Borrower Pledge Agreement; and
 - (b) a securities pledge agreement made by Razor Energy in favour of the Agent with respect to all of its equity interests in Razor Holdings (the "**GP Pledge Agreement**" and together with the Borrower Pledge Agreement, the "**Pledge Agreements**"). Attached hereto and marked as **Exhibit "L"** is a copy of the GP Pledge Agreement.
20. Included in each of the Pledge Agreements was a blank Power of Attorney executed by Razor Energy permitting the transfer of the pledged securities to the Agent, on behalf of the Arena Lenders, to be utilized where there was an Event of Default as defined pursuant to the Pledge Agreements.

Razor's financial difficulties, and commencement of CCAA proceedings

21. Commencing in early 2023, Razor Energy encountered financial difficulties, and defaulted on various obligations owing under the Loan Agreement. Razor Energy's oil and gas production from the Royalty Lands failed to meet the minimum production amounts as required under the Loan Agreement. In addition, Razor Energy failed to provide the Agent with its production reports, which was also required under the terms of the Loan Agreement. Each of the foregoing constituted a default of the terms of the Loan Agreement (the "**Defaults**").
22. As a result of the Defaults, on March 2, 2023, the Agent issued a Notice of Default and Reservation of Rights to Razor Royalties LP (the "**First Default Notice**"). Attached hereto as **Exhibit "M"** is a copy of the First Default Notice.
23. Notwithstanding the existence of the Defaults, the Agent declined to enforce upon the security that had been granted in its favour by Razor Energy and Razor Royalties LP, and instead elected to provide Razor Energy with breathing room to resolve its financial difficulties.
24. The Arena Lenders worked constructively with Razor Energy and provided numerous accommodations, including waiving covenants, amending covenants and consenting to lien releases to enable Razor Energy to market and close on select asset divestitures, as well as giving Razor Energy time to explore strategic alternatives, such as corporate mergers/amalgamations, private placements, stock sales and other restructuring transactions.

25. By the end of the summer of 2023, Razor Energy was once again in default with the Agent by failing to deliver the Deposit Account Control Agreement in accordance with the Loan Agreement. As a result, on August 31, 2023, the Agent issued a further Notice of Default and Reservation of Rights to the Razor Borrowers (the “**Second Default Notice**”). Attached hereto and marked as **Exhibit “N”** is a copy of the Second Default Notice.
26. Despite the Second Default Notice, the Arena Lenders continued to give Razor Energy time to attempt to effect restructuring transactions. This additional time was provided in part, as Arena was advised by Razor Energy that it was recovering from having its production volumes shut-in due to wildfires during the summer of 2023. Following this temporary shut-in, Razor Energy’s daily production volumes were increasing leading to improved financial and operating results.
27. Despite Razor Energy’s efforts, and the Agent’s cooperation, by late 2023, Razor Energy’s oil and gas production from the Royalty Lands remained below the minimum amount required under the Loan Agreement. As a result, on October 16, 2023, the Agent issued a further Notice of Default and Reservation of Rights to the Razor Borrowers and Razor Energy as guarantor (the “**Third Default Notice**”). Attached hereto as **Exhibit “O”** is a copy of the Third Default Notice.
28. Notwithstanding the continuing Defaults, the Agent again declined to enforce upon the security that had been granted in its favour by Razor Energy and Razor Royalties LP, and instead elected to continue to work with the parties in the hopes that they would be able to resolve their financial difficulties.
29. Ultimately, neither Razor Energy nor Razor Royalties LP were able to sufficiently improve their financial situation. On January 30, 2024, Razor Energy and Razor Holdings, along with their affiliate Blade Energy Service Corp. (collectively, the “**Debtors**”) filed a notice of intention to file a proposal under Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**NOI Proceedings**”).
30. Further, on February 28, 2024, the Debtors obtained an Initial Order under the *Companies’ Creditors Arrangement Act* (“**CCAA**”), which converted the NOI Proceedings into the within proceedings under the CCAA (the “**CCAA Proceedings**”). Among other things, under the Initial Order, FTI Consulting Canada Inc. was appointed as the monitor of the Debtors under the CCAA Proceedings (the “**Monitor**”). Based upon my review of the materials filed in these proceedings to date, it is my understanding that Razor Royalties LP is not a debtor in these CCAA Proceedings; however, the stay of proceedings has been extended to Razor Royalties LP.

31. Notably, the Arena Lenders are not creditors of the Debtor Blade Energy Service Corp. (“**Blade**”), nor do they hold any registered security interests against Blade.

Representations made to Arena throughout the CCAA Proceedings

32. From the outset of the CCAA Proceedings, the Debtors advised the Agent that they would seek to restructure their affairs through a sale of their assets or business.
33. Beginning on February 6, 2024 (while the Debtors’ restructuring was still taking place under the NOI Proceedings), the Debtors’ commenced a sale and investment solicitation process (the “**SISP**”), using Peters & Co. Limited as the sales agent (the “**Sales Agent**”) for the marketing and ultimate sale of the Debtors’ assets and/or business. Further details regarding the SISP are set out in both the Debtors’ prior affidavits filed in these proceedings, as well as the Monitor’s prior reports, beginning with the Second Report of the Monitor, dated March 18, 2024.
34. Under the SISP, the Debtors concluded two asset transactions for portions of the Debtors’ assets, which were both approved by the Court of King’s Bench of Alberta (the “**Court**”) pursuant to sale approval and vesting orders granted in the within CCAA Proceedings on July 17, 2024. I understand that the proceeds of these transactions have been utilized to fund the within CCAA Proceedings and in furtherance of the Corporate Transaction as defined and discussed in further detail below. Arena did not receive any distributions from these asset transactions, nor did it seek such distribution. Rather, Arena supported the approval of each of these transactions on the basis that the continuation of these CCAA Proceedings were necessary to effect the Debtors’ proposed Corporate Transaction.
35. In addition to these asset transactions, the Debtors have pursued a share transaction for purchase and sale of the shares of one or more of the Debtors as part of the SISP. In that regard, as early as March of 2024, Solidarity Holdings Inc. (“**Solidarity**”) indicated an interest in purchasing Razor Energy’s business through a share acquisition. Based upon information provided to me by the Chief Executive Officer of Razor Energy, Mr. Doug Bailey, I understand that Solidarity delivered its first letter of intent to Razor Energy on or about March 28, 2024 (the “**First LOI**”), seeking to purchase all of the issued and outstanding shares of Razor Energy (the “**Corporate Transaction**”). The First LOI was delivered to Arena pursuant to an agreement that Arena would maintain the confidence of the First LOI; however, I have reviewed Affidavit #11 of Doug Bailey, sworn October 28, 2024 (the “**Eleventh Bailey Affidavit**”) and filed in the within proceedings and understand the First LOI

was attached as Exhibit “B” thereto. As such, I have attached it to my Affidavit as **Exhibit “P”** for ease of reference.

36. Following further discussions between Razor Energy and Solidarity, I understand from Mr. Bailey that Solidarity provided Razor Energy with a further revised letter of intent (the “**Finalized LOI**”) wherein Solidarity continued to express its interest in the Corporate Transaction. Among other things, the Finalized LOI provided that part of the purchase price would include the “assumption of the secured obligations owing by Razor Royalties LP and guaranteed by Razor, to Arena Investors LP, in the approximate amount of CDN\$6.5 million”. As with the First LOI, the Finalized LOI was provided to Arena by the Debtors pursuant to an agreement that Arena would maintain the confidence of the Finalized LOI. The Finalized LOI was not attached to the Eleventh Bailey Affidavit as an Exhibit. As such, I have attached the Finalized LOI to my Affidavit as **Confidential Exhibit “1”**.
37. The Finalized LOI was provided to the Agent on or around April 22, 2024. To the best of my knowledge, I understand that Solidarity was aware that Arena was provided with a copy of the Finalized LOI by the Debtors.
38. In any event, Solidarity would have been aware of Arena’s expectations regarding the Corporate Transaction by May 1, 2024 at the latest, as this is the date that Arena’s legal counsel, Ms. Jessica Cameron of Fasken Martineau DuMoulin LLP (“**Fasken**”), reached out to Solidarity’s legal counsel, Mr. Miles Pittman of Borden Ladner Gervais LLP (“**BLG**”), requesting to set up a call on Arena’s behalf to discuss the nature of Solidarity’s proposed assumption of the debt outstanding to the Arena Lenders. Attached hereto and marked as **Exhibit “Q”** is a copy of email correspondence from Ms. Cameron to Solidarity’s legal counsel dated May 1, 2024.
39. I am advised by Ms. Cameron and do verily believe that a call was convened between Fasken lawyers and lawyers with BLG to discuss Solidarity’s Corporate Transaction and the assumption of Arena’s debt on or about May 3, 2024.
40. Arising from that call, and at the request of Solidarity’s legal counsel, I understand that Fasken provided all of the credit and security documentation pertaining to the Loan Agreement to BLG for their review with respect to the assumption of Arena’s debt on or about May 3, 2024. Attached hereto and marked as **Exhibit “R”** is a copy of email correspondence from a Mr. David Kim, an associate with Fasken, to Solidarity’s legal counsel dated May 3, 2024 providing the Loan Agreement and security documentation.

41. I am advised by Mr. Kim and do verily believe that the documents provided to Solidarity's legal counsel included all relevant information respecting the GORRs, including: the Royalty Purchase and Sale Agreements, the Royalty Agreements, the Specific Assignments, and the Royalty Amending Agreements.
42. Further, I understand that on May 22, 2024, the Debtors, together with the Monitor, convened a virtual stakeholder meeting (the "**Stakeholder Meeting**") to discuss the structure of the Corporate Transaction and the potential distribution of funds therefrom. Ms. Cameron attended the meeting as legal counsel for Arena. I am advised by Ms. Cameron and do verily believe that in discussing the structure of the Corporate Transaction, parties were advised that part of the purchase price included the assumption of the Razor Borrower's debt obligations owing to the Arena Lenders. Following the Stakeholder Meeting, I was provided with access to the confidential presentation made to stakeholders at the meeting; however, I was unable to download a copy of the presentation. Based upon my review of the presentation however, it noted that Arena's debt was to be assumed pursuant to the Corporate Transaction.
43. Prior to attending the Stakeholder Meeting, parties were asked to confirm that they would maintain the contents shared at such meeting in confidence pursuant to a confidentiality undertaking requested by the Debtors' legal counsel. In confirming that Arena would maintain the information shared at the Stakeholder Meeting in confidence, through legal counsel Arena also confirmed that certain provisions of the requested confidentiality undertaking would not apply to the assumption of Arena's debt. That confirmation was given by the Debtors through their legal counsel. Attached hereto and marked as **Exhibit "S"** is a copy of email correspondence between Fasken and McCarthy Tetrault, Debtors' legal counsel, between May 16 to May 21, 2024, to this effect.
44. Additionally, following the Stakeholder Meeting, Mr. Bailey advised me via a text message on May 22, 2024 that Razor had "got thru the creditors' meeting in one piece. Disclosed the debt assumption. No comments." Attached hereto and marked as **Exhibit "T"** is a copy of my text message chain with Mr. Bailey from May 2, 2024 to May 22, 2024.
45. Throughout the summer of 2024, Arena continued to understand that the Corporate Transaction being pursued included the assumption by Solidarity of the debt owing to the Arena Lenders, and that the parties required more time to complete necessary due diligence and negotiations with the applicable energy regulators respecting the transaction structure.

46. This included further communications between Arena and the Debtors, through their respective legal counsel, dated July 12, 2024, regarding a further confidentiality undertaking request wherein the Debtors' legal counsel confirmed the disclosure of the confidential information to Arena would not impact the proposed debt assumption, attached hereto as **Exhibit "U"**, without the confidential materials appended thereto.
47. I also spoke directly with Mr. Bailey on several occasions throughout the summer of 2024 regarding the status of the Debtors' advancement of these CCAA Proceedings and negotiations regarding the Corporate Transaction. During these discussions, Mr. Bailey continued to assure me that the Arena Lender's debt would be assumed as part of the Corporate Transaction.
48. Further, on July 16, 2024, I spoke with Mr. Mohammed Al-Attereh, who I understand to be a director of Solidarity, regarding the status of the Corporate Transaction. During my discussion with Mr. Al-Attereh, he informed me that he was just leaving a meeting with representatives of Canadian Natural Resources ("CNRL") and he told me that he might need Arena's help in getting the Corporate Transaction across the line. He further told me that CNRL had issues with the Corporate Transaction and the fact that Arena was not "taking a haircut" and was being made whole. Lastly, Mr. Al-Attereh told me that CNRL had requested that Solidarity provide a letter of credit in excess of \$100 million in order for CNRL to support the Corporate Transaction, which letter of credit I understand was supposed to represent Razor Energy's share of abandonment and reclamation obligations in relation to the parties' jointly owned assets. At no point during this conversation did he advise me that Solidarity would not be assuming the Arena Lender's debt and GORRs.
49. Following this conversation, I understand that Solidarity then attempted to change the structure of the Corporate Transaction by removing those jointly owned assets, referred to in the Eleventh Bailey Affidavit as the Swan Hills Unit 1 Assets to resolve the issues encountered with CNRL. To the best of my knowledge, the Swan Hill Unit 1 Assets were included in both Solidarity's First LOI and the Finalized LOI. Arena was advised by the Debtors that the excluded assets under those letters of intent pertained to the assets that were ultimately sold as part of what has been referred to as the HWN Transaction in the Eleventh Bailey Affidavit.
50. On September 4, 2024, I met with Mr. Bailey, who flew down to Florida to have meetings with me to discuss the Debtors' ongoing CCAA Proceedings and challenges with finalizing the Corporate Transaction. During this meeting Mr. Bailey told me that the Corporate Transaction structure was in flux and he was concerned that Solidarity did not intend to honour their previously stated intention of assuming the Arena Lender's debt. However, he also reassured me that due to the

nature of the GORR structure and fact that it was an interest in land, the GORR would be Arena's "hammer" and the Arena Lender's would receive monthly cheques even if the debt obligations were not assumed.

51. On the basis of these representations, Arena continued to support the Debtors in these CCAA Proceedings, as further discussed below.

The Agent's support throughout the CCAA Proceedings

52. Throughout the CCAA Proceedings, the Agent has continuously supported the Debtors' efforts to conclude the Corporate Transaction with Solidarity. In that regard, the Agent has supported the Debtors in respect of numerous applications before the Court, including actively participating in two contested applications, including:

- (a) A contested application by the Alberta Petroleum Market Commission ("APMC") that took place on April 10, 2024, before the Honourable Justice M.E. Burns, in which APMC sought a declaration from the Court that the stay of proceedings against Razor Energy and its property and business that was imposed by the Initial Order, did not apply to APMC's efforts to collect Razor Energy's pre-filing in-kind royalty payment owing to the Crown (the "**APMC Application**");
- (b) A contested application brought by Conifer Energy Inc. ("**Conifer**") that took place on September 11, 2024, before the Honourable Justice D.R. Mah, in which Conifer sought payment of post-filing obligations owing by Razor Energy pursuant to the parties various joint operating agreements, or the granting of a court-ordered priority charge with respect to those post-filing obligations (the "**Conifer Application**"). Additionally, and with the consent of the Debtors, Arena engaged in without prejudice settlement discussions with Conifer respecting a resolution of its application. Attached hereto and marked as **Confidential Exhibit "2"** is a copy of the settlement offer made by Arena to Conifer respecting the Conifer Application. As this communication is subject to settlement privilege, Arena seeks a sealing order respecting same;
- (c) As noted above, applications brought by the Debtors to approve two asset transactions, the proceeds of which were utilized to fund the within CCAA Proceedings; and
- (d) Supporting the Debtors at each of their applications to extend the stay of proceedings in this matter, in order to pursue the Corporation Transaction.

53. The support extended by Arena regarding these applications was not merely perfunctory. For example, Justice Burns dismissed the APMC Application largely on the basis of the arguments advanced by Arena. In that regard, paragraph 26 of Justice Burns' reasons from the APMC Application provides as follows:

[26] The reality is that the royalty is a tangible, physical quantity of oil but Razor no longer possesses the January 2024 royalty shares volume because it was likely transferred to third party oil marketers back in the beginning of the year (albeit in violation of section 11 of the Act) and the tangible assets are unrecoverable. As a result, the APMC cannot enforce its *in rem* rights with respect to that particular oil.

54. A copy of Justice Burns' decision respecting the APMC Application is attached hereto and marked as **Exhibit "V"**.

55. This paragraph of Justice Burns' reasons tracks the argument set out at paragraphs 22 and 23 of Arena's brief submitted for the APMC Application, which provide as follows:

22. When discussing the January 2024 Royalty Shares, what is truly being referenced is that first specific physical quantity of oil calculated at Razor's first point of measurement, and which ought to have been delivered during that month. This is the tangible, physical quantity of oil in which the Crown holds a ownership for Razor's January 2024 production.

23. However, Razor no longer possesses the January 2024 Royalty Shares, because it was likely transferred to third party oil marketers long ago, albeit in violation of section 11 of the *Mines and Minerals Act*. Although the Crown maintains ownership in the January 2024 Royalty Shares until such time as they are disposed of by or on behalf of the Crown, the January 2024 Royalty Shares have been transferred to arm's length third parties, and are now untraceable and unrecoverable.

56. Had the APMC Application been granted, APMC would have been entitled to circumvent the stay imposed by the Initial Order and collect, in kind, the unremitted portion of the Crown's royalty share of Razor Energy's oil and gas production for the period prior to the NOI Proceeding. Based upon the Debtors' cash flow forecast filed at the time the APMC Application was heard, my understanding is that had the APMC been successful on its application, the Debtors would have had insufficient liquidity to continue these CCAA Proceedings, which would have caused an immediate collapse of their restructuring efforts. Attached hereto and marked as **Exhibit "W"** is a copy of the Debtors' Cash Flow Forecast for the period of March 18, 2024 to May 5, 2024 from the Monitor's Second Report dated March 18, 2024.

57. Furthermore, the APMC has sought leave to appeal Justice Burns' decision. As further support to the Debtors in the within CCAA Proceedings, on October 9, 2024, Arena, through its legal counsel,

requested that the APMC add Arena as a respondent to those appellate proceedings so that Arena could file a memorandum of argument in opposition to the APMC's application for leave. The APMC agreed to add Arena as a respondent to its appeal, as well as the Monitor, and wrote to the Court of Appeal on October 15, 2024 to advise the Court of Appeal of this. Attached hereto and marked as **Exhibits "X"** and **"Y"** respectively, are copies of the email correspondence between counsel for Arena and the APMC dated September 26, 2024 to October 9, 2024, and the APMC's letter dated October 15, 2024 to the Court of Appeal.

58. I am advised by Ms. Cameron and do honestly believe that Fasken has been in the process of preparing its responding memorandum with respect to the APMC's application for leave, and it is about 85% complete.
59. Similarly, with respect to the Conifer Application, the support of Arena appears to have had some impact upon Justice Mah's ultimate dismissal of Conifer's application. Justice Mah summarized the submissions made by Arena's legal counsel as follows:

[11] Arena's counsel submitted that Conifer's post-filing claim is unsecured or at best forms the basis of an Operator's Lien, still subordinate to Arena's security: *Cansearch Resources Ltd v Regent Resources Ltd*, 2017 ABQB 535 at para 42. Arena also contends that a single post-filing creditor should not be allowed to determine the fate of the entire CCAA proceeding: *Essar Steel Algoma Inc, Re*, 2016 ONSC 6459 at para 26. Finally, with regard to constructive trust, Arena's counsel says that even if enrichment of Razor and deprivation on Conifer's part are made out, there is a juristic reason not to pay Conifer and that is the *CCAA*.

60. Further, in his conclusion, Justice Mah concluded as follows:

[22] Based on the evidence before me, I conclude as follows:

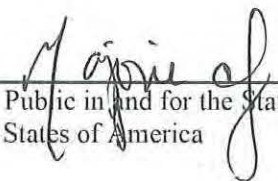
- Allowing Conifer's application (and the other similar applications that would inevitably follow) will likely have the effect of causing the Corporate Transaction to collapse.
- In the words of *Century Services*, granting the Order sought would not "provide the conditions" under which Razor can execute on the Corporate Transaction but rather would hasten its bankruptcy or receivership.
- Granting the Order sought would give Conifer an unfair advantage now and in any subsequent bankruptcy or receivership by authorizing a preferential payment and/or artificially elevating its priority position. It would not provide a constructive solution to all stakeholders, only Conifer.
- Granting the Order would in effect permit the interests of a single post-filing creditor to determine the fate of the entire *CCAA* proceeding to the detriment of remaining stakeholders.

61. A copy of Justice Mah's decision respecting the Conifer Application is attached hereto and marked as **Exhibit "Z"**.
62. In response to the Conifer Application, the Debtors argued that if the relief sought by Conifer were granted and Razor Energy was directed to remit payment of the claimed post-filing obligations, Razor Energy did not have sufficient liquidity to do so and the entire restructuring proceedings would have collapsed at that time. Attached hereto and marked as **Exhibit "AA"** are copies of excerpts of the Debtors' application materials, as well as copies of the Monitor's Sixth Report dated September 10, 2024, filed in response to the Conifer Application which address the Debtors' liquidity issues at that time and the implications the success of the Conifer Application would have had on the entire restructuring proceedings.
63. Arena's support of the Debtors throughout these CCAA Proceedings, including by appearing and making submissions for various contested applications before the Court, has always been provided on the understanding that:
 - (a) the purchase price payable by Solidarity pursuant to the Corporate Transaction would include a full assumption of the indebtedness owing by Razor Royalties LP and Razor Energy to the Arena Lenders; and
 - (b) as part of the debt assumption, Solidarity would be assuming the GORRs.
64. As at November 4, 2024, the Arena Lenders are owed USD\$5,460,028.72 pursuant to the Loan Agreement, plus all accrued professional fees on a solicitor-and-his-own client basis, with interest and fees continuing to accrue thereon. Based on the currency conversion in effect as at November 4, 2024, that equates to CDN\$7,618,000.98.
65. In advancing Arena's support of the Debtors' CCAA Proceedings and in furtherance of the Corporate Transaction, Arena has spent approximately USD\$175,000 on legal fees in these proceedings. This does not include the legal fees Arena has incurred subsequent to October 22, 2024 now in opposition to the Debtors.
66. On or about September 30, 2024, the Debtors advised the Agent, through their respective legal counsel, that the Debtors had scheduled time before the Court on the Commercial List, for the purpose of making an application for the approval of the Corporate Transaction with Solidarity.

67. On October 21, 2024, Arena requested an update on the status of the Corporate Transaction from the Debtors, once again through legal counsel, and requested to see a copy of the definitive documents respecting the Corporate Transaction so that Arena would have time to review the “contemplated treatment of the assumption of its debt”. Attached hereto and marked as **Exhibit “BB”** is a copy of email correspondence between Arena and the Debtors’ respective legal counsel dated October 21, 2024.
68. Notwithstanding the foregoing, on October 22, 2024, for the first time, the Debtors advised Arena, through their respective legal counsel, that, contrary to all prior representations that have been made to Arena, the Corporate Transaction with Solidarity would not include an assumption of Arena’s debt, and further still, the parties intended to seek a form of vesting order that would vest out Arena’s interest in the GORRs.
69. Arena was not consulted about this dramatic change to the structure of the Corporate Transaction. In fact, it was quite the contrary. From April of 2024 until October 22, 2024, the Agent had been led by the Debtors and Solidarity to believe that the Corporate Transaction between the parties would include a full assumption by Solidarity of the debt obligations owing by Razor Royalties LP and Razor under the Loan Agreement, and GORRs.
70. Had Arena known that the Debtors and Solidarity would seek to vest out all liabilities owing under the Loan Agreement, as well as the interests in the GORRs, Arena would never have supported the Debtors throughout the CCAA Proceedings to the lengths it did, spending significant legal fees to do so.
71. After learning of the change in direction of the Corporate Transaction, on October 25, 2024, Arena requested from Razor Energy, through counsel, an explanation as to the economics of the Corporate Transaction, including an estimated waterfall analysis of the distribution expected from ResidualCo to creditors. As at the time of swearing this Affidavit, Arena had still not received responses to its information requests surrounding the economics of the Corporate Transaction as set out in its October 25th email correspondence. Attached hereto and marked as **Exhibit “CC”** is a copy of email correspondence between counsel for Arena and counsel for the Debtors, without the attachment attached thereto, being one of the Royalty Agreements.
72. As a result of the foregoing, I firmly believe that the Debtors and Solidarity have failed to act in good faith in these CCAA Proceedings with respect to the Corporate Transaction. Accordingly, Arena does not support approval of the Corporate Transaction.

- 73. Additionally, if the Corporate Transaction is approved in the form sought by the Debtors, the Arena Lenders will lose their interest in the GORRs permanently, an interest that both parties have always regarded as an interest in land, with no form of compensation being offered in return for the extinguishment of their interest.
- 74. Based upon the production reporting provided by Razor Energy to Arena, I understand that Razor Energy's average daily production during the pendency of its insolvency proceedings, being from February 3, 2024 to the week ending October 26, 2024, has been approximately 2,300 boe/day. Applying the 10% GORR to that production, equates to approximately 230 boe/day for the royalty share attributable to the GORR. Furthermore, I understand that Razor Energy's average daily production for the twelve month period immediately preceding the Debtors' NOI Proceedings, has been approximately 3,670. Again, applying the 10% GORR to that production, equates to approximately 367 boe/day for the royalty share attributable to the GORR. Attached hereto and marked as Exhibit "DD" is a copy of Arena's internal production model in relation to the GORR, based upon the weekly production reporting provided by Razor Energy to Arena.
- 75. I affirm this affidavit: i) in opposition to the Debtors' application to approve the Corporate Transaction, and ii) in support of Arena's application to lift the stay of proceedings to allow Arena to exercise its rights of enforcement solely against Razor Royalties LP and the GORR, and for no other or improper purpose.

SWORN BEFORE ME at Miami, Florida, USA
 this 5th day of November, 2024.



 Notary Public in and for the State of Florida,
 United States of America

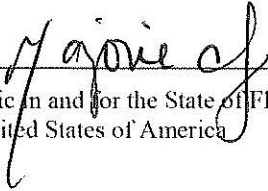
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 GREGORY WHITE



This is Exhibit "A"
Referred to in the Affidavit of
GREGORY WHITE
Sworn before me this 5th day of
November, 2024



Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

SECOND AMENDED AND RESTATED TERM LOAN AGREEMENT

among

RAZOR ROYALTIES LIMITED PARTNERSHIP, BY ITS GENERAL PARTNER, RAZOR
HOLDINGS GP CORP.,
as a Borrower,

and

RAZOR ENERGY CORP.,
as Parent Guarantor,

and

SWAN HILLS GEOTHERMAL POWER CORP.,
as a Borrower and Guarantor,

and

405 DOLOMITE LLC,
as Agent

and

THE LENDERS SIGNATORY HERETO

June 16, 2023

SENIOR SECURED TERM LOAN OF \$11,042,617

SENIOR SECURED TERM LOAN OF \$8,833,922.26

SENIOR SECURED TERM LOAN OF \$11,042,403

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Exhibit C	Form of Assignment Agreement
Exhibit D	Form of Environmental Certificate

SECOND AMENDED AND RESTATED TERM LOAN AGREEMENT

This **SECOND AMENDED AND RESTATED TERM LOAN AGREEMENT** is made and entered into effective June 16, 2023, by and among **RAZOR ROYALTIES LIMITED PARTNERSHIP**, an Alberta limited partnership, by its general partner **RAZOR HOLDINGS GP CORP.** (“**Razor LP**”), **RAZOR ENERGY CORP.**, an Alberta corporation (“**Parent Guarantor**”), **SWAN HILLS GEOTHERMAL POWER CORP.**, an Alberta corporation (“**SHGPC**”, and together with Razor LP, the “**Borrowers**”, and each a “**Borrower**”), each lender that is a signatory hereto (including 405 Dolomite LLC and Arena Limited SPV, LLC) or becomes a party hereto as provided in Section 9.1 (individually, together with its successors and assigns, a “**Lender**” and, collectively, together with their respective successors and assigns, the “**Lenders**”), and **405 DOLOMITE LLC**, a Delaware limited liability company, as administrative agent for the Lenders (in such capacity, together with its successors in such capacity pursuant to the terms hereof, the “**Agent**”).

This Agreement amends and restates the amended and restated term loan agreement dated March 9, 2022 by and among Razor LP and SHGPC, as borrowers, the Parent Guarantor, the Lenders party thereto and the Agent (collectively as amended to the date hereof, the “**Original Agreement**”) on the terms and conditions set forth in this Agreement.

WITNESSETH:

In consideration of the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

ARTICLE I **DEFINITIONS AND INTERPRETATION**

1.1 Terms Defined Above.

As used in this Agreement, each of the terms “**Agent**”, “**Borrower**”, “**Borrowers**”, “**Parent Guarantor**”, “**Razor LP**”, “**SHGPC**”, “**Lender**”, “**Lenders**” and “**Original Agreement**” shall have the meaning assigned to such term hereinabove.

1.2 Additional Defined Terms.

As used in this Agreement, each of the following terms shall have the meaning assigned thereto in this Section 1.2 or in Sections referred to in this Section 1.2, unless the context otherwise requires:

“**Abandonment/Reclamation Order**” shall mean any order, directive or demand to post security deposits issued by an Energy Regulator which relates to any Oil & Gas Property, including ARO associated therewith.

“**Additional Amount**” shall have the meaning set forth for such term in Section 2.8(a).

“**Additional Costs**” shall mean costs which are attributable to the obligation of the Agent or any Lender to maintain the Term Loans, or any reduction in any amount receivable by the Agent or such Lender in respect of any such obligation or any Term Loan, resulting from any Regulatory Change which (a) changes the basis of taxation of any amounts payable to the Agent or such Lender under this Agreement or any Note in respect of any Term Loan (other than taxes imposed on the overall net income of the Agent or such Lender or its Applicable Lending Office (including franchise or similar taxes) for the Term Loans), (b) imposes or modifies any reserve, special deposit, minimum capital, capital ratio or similar requirement relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, the Agent or such Lender with respect to the Term Loans, or the Commitment of the Agent or such Lender to maintain the Term Loans, or (c) imposes any other condition affecting this Agreement or any Note or any of such extensions of credit, liabilities or Commitments, in each case with respect to the Term Loans.

“**AER**” shall mean the Alberta Energy Regulator.

“**Affiliate**” shall mean, as to any Person, any other Person directly or indirectly, controls, is controlled by, or under common control with, such Person and includes, as to any Loan Party, any Subsidiary of such Loan Party and any “affiliate” of such Loan Party within the meaning of the *Business Corporations Act* (Alberta), with “control,” as used in this definition, meaning possession, directly or indirectly, of the power to direct or cause the direction of management, policies or action through ownership of voting securities, contract, voting trust, or membership in management or in the group appointing or electing management or otherwise through formal or informal arrangements or business relationships.

“**After-Acquired Property**” shall have the meaning assigned to such term in Section 3.5.

“**Agent Observer**” shall mean any representative of the Agent designated as a non-voting board observer by the Agent from time to time by written notice to the Borrowers, or either of them, as the case may be.

“**Agreement**” shall mean this Second Amended and Restated Term Loan Agreement, as it may be amended, supplemented, restated, amended and restated or otherwise modified from time to time.

“**AIMCo**” means, together with its successors and assigns, Alberta Investment Management Corporation.

“**AIMCo Reorganization Transaction**” means the reorganization transactions contemplated by the AIMCo Settlement Documents.

“**AIMCo Settlement Documents**” shall mean, collectively:

(a) the debt settlement agreement among the Parent Guarantor, AIMCo, on behalf of certain designated entities it manages and advises, as lenders, and AIMCo, as agent for such lenders, dated May 1, 2023;

(b) the standby purchase agreement between the Parent Guarantor and AIMCo, on behalf of certain designated entities it manages and advises, as standby purchaser, dated May 1, 2023;

(c) the articles of amendment of the SHGPC Parent;

(d) the investor rights agreement between the Parent Guarantor and AIMCo dated June 16, 2023;

(e) the registration rights agreement between the Parent Guarantor and AIMCo dated June 16, 2023;

(f) the FutEra USA;

(g) Indemnity and Contribution Agreement; and

(h) the release and discharge from AIMCo, as acknowledged by the Agent, in respect of the release and discharge of AIMCo's security interests in all Property of the Loan Parties and the termination by AIMCo of the subordination agreement dated February 16, 2021, as amended by an intercreditor agreement amendment dated August 12, 2021, among the Agent, AIMCo, Razor LP and the Parent Guarantor.

“AML Legislation” shall have the meaning assigned to such term in Section 9.12(a).

“Anti-Corruption and Anti-Bribery Laws” shall mean anti-corruption and anti-bribery statutes of all jurisdictions (including, the *Foreign Corrupt Practices Act of 1977*, the OECD Convention on Bribery of Foreign Public Officials in International Business Transactions, and any similar national or local law or regulation in any jurisdiction where the Loan Parties and each of their Subsidiaries conducts business), the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency or any such jurisdiction.

“Anti-Terrorism Laws” shall mean any laws relating to terrorism or money laundering, including Executive Order No. 13224, the USA Patriot Act and *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*.

“Applicable Lending Office” shall mean, for each Lender, the lending office or account of such Lender (or an Affiliate of such Lender) designated on the signature pages hereof or in an Assignment Agreement or such other office or account of such Lender (or an Affiliate of such Lender) as such Lender may from

time to time specify to the Agent and the Borrowers in writing by which its Percentage Share of the Term Loans is to be made and maintained.

“**Applicable Rate**” shall mean the rate of seven and eight hundred seventy-five thousandths percent (7.875%) per annum converted to a daily rate on the basis of a year of 360 days and the rate so determined for each relevant day being applied on the basis of actual days elapsed (including the first day, but excluding the last day) during the period for which interest is payable at such rate.

“**Approved Hedge Counterparty**” shall mean (i) any Lender, (ii) a counterparty to an existing Commodity Hedge Agreement with a Loan Party, (iii) StoneX, or (iv) any other counterparty approved by the Agent acting reasonably.

“**ARO**” means at any time the present and future, direct or indirect, absolute or contingent obligations of any Loan Party to abandon, restore, reclaim or otherwise remediate the Oil & Gas Properties of the Loan Parties, or any portion thereof.

“**Assignment Agreement**” shall mean an Assignment Agreement in substantially the form of Exhibit C, with appropriate insertions or such other form as approved by the Agent.

“**Benefited Lender**” shall have the meaning assigned to such term in Section 2.9(c).

“**Blocked Person**” shall have the meaning assigned to such term in Section 4.23(b).

“**Broker**” shall have the meaning assigned to such term in Section 9.22.

“**Business Day**” shall mean any day other than a Saturday, Sunday, legal holiday for commercial banks under the laws of the State of New York or the Province of Alberta, or any other day when banking is suspended in the State of New York or the Province of Alberta.

“**Business Entity**” shall mean a corporation, partnership, joint venture, limited liability company, joint stock association, business trust, or other business entity.

“**Canadian Employee Benefits Legislation**” means the *Canada Pension Plan* (Canada), the *Pension Benefits Standards Act* (Canada) and any similar Canadian federal, provincial or local laws that may apply to any Canadian employee or any Canadian Employee Plan and the ITA, in each case, as such legislation may be amended from time to time, and the regulations thereunder.

“**Canadian Employee Plan**” means any employee benefit, health, welfare, supplemental unemployment benefit, bonus, pension (other than a Canadian Pension Plan), supplemental pension, profit sharing, retiring allowance, severance,

deferred compensation, stock compensation, stock purchase, retirement, life, hospitalization insurance, medical, dental, disability or other employee group or similar benefit or employment plans or supplemental arrangements maintained by a governmental authority.

“**Canadian Pension Plan**” means any “pension plan” required to be registered under the ITA and contributed to by a Loan Party for its Canadian employees (within the meaning of the Canadian Employee Benefits Legislation), but does not include the Canada Pension Plan maintained by the Government of Canada.

“**Change of Control**” shall mean the occurrence of any of the following events, with respect to any Loan Party:

(a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group of Persons acting jointly or in concert (within the meaning of the *Securities Act* (Alberta)), of Equity Interests representing more than 51% of the aggregate ordinary voting power of any Loan Party;

(b) during any period of two consecutive years, individuals who at the beginning of such period constitute the board of directors of any Loan Party cease, for any reason, to constitute at least a majority of the board of directors of any Loan Party unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period (the “**Incumbent Directors**”) and in particular, any new director who assumes office in connection with or as a result of any actual or threatened proxy or other election contest of the board of directors of such Loan Party shall never be an Incumbent Director;

(c) the Parent Guarantor ceases to own, control or direct 100% of the voting Equity Interest of Razor LP; or

(d) the SHGPC Parent ceases to own, control or direct 100% of the voting Equity Interest of SHGPC.

“**Citibank**” shall mean Citibank, N.A.

“**Closing Date**” shall mean the Effective Date of this Agreement.

“**CNRL Action**” shall have the meaning set forth for such term in Schedule 4.9.

“**Collateral**” shall mean the Mortgaged Properties, the Royalty Lands, the SHGPC Power Plant, all of the Equity Interests in the Borrowers and the GP and all Property interests secured by any of the Security Documents, and expressly including “as extracted collateral” as defined in the PPSA, but shall not at any time or for any purposes include any Excluded Property.

“**Commitment**” shall mean, as to each Lender, its obligations to make its Percentage Share of the Term Loans and maintain its Percentage Share of the Loan Balance.

“**Commodity Exchange Act**” shall mean the Commodity Exchange Act (7 U.S.C. § 1 et seq.).

“**Commodity Hedge Agreement**” shall have the meaning assigned to such term in Section 1a(47) of the Commodity Exchange Act and, if not within the scope of such definition, shall include any crude oil, natural gas or other hydrocarbon floor, collar, cap, swap, price protection or hedge agreements, including any schedules, annexes and supplements thereto and trade confirmations thereunder.

“**Compliance Certificate**” shall mean each certificate, substantially in the form attached hereto as Exhibit B, executed by the Financial Officer of either of the Borrowers, and furnished to the Agent from time to time in accordance with the provisions of Section 5.2, Section 5.3 or Section 5.4, as the case may be.

“**Consent and Waiver**” means the consent and waiver of the Agent dated April 28, 2023, whereby the Agent consented to the AIMCo Reorganization Transaction, waived certain defaults under Section 5.26 of the Original Agreement and this Agreement and amended Schedule 5.26 of the Original Agreement and this Agreement.

“**Contingent Obligation**” shall mean, as to any Person, any obligation of such Person guaranteeing or in effect guaranteeing any Indebtedness, leases including finance leases creating Finance Lease Obligations, dividends, or other obligations of any other Person (for purposes of this definition, a “primary obligation”) in any manner, whether directly or indirectly, including any obligation of such Person, regardless of whether such obligation is contingent, (a) to purchase any primary obligation or any Property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any primary obligation, or (ii) to maintain working or equity capital of any other Person in respect of any primary obligation, or otherwise to maintain the net worth or solvency of any other Person, (c) to purchase Property, securities or services primarily for the purpose of assuring the owner of any primary obligation of the ability of the Person primarily liable for such primary obligation to make payment thereof, or (d) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof, with the amount of any Contingent Obligation being deemed to be equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith.

“**Control Accounts**” shall mean the deposit accounts maintained by the Borrowers, which deposit accounts shall be subject to the Deposit Account Control Agreements in accordance with the terms and conditions contained herein.

“**Construction Schedule**” shall mean the construction schedule in respect of the construction of the SHGPC Power Plant.

“**Default**” shall mean any event or occurrence which with the lapse of time or the giving of notice or both would become an Event of Default.

“**Default Rate**” shall mean an interest rate equal to the Applicable Rate plus two percent (2%), but in no event shall such rate exceed the Highest Lawful Rate.

“**Deposit Account Control Agreements**” shall mean each of the agreements among each Borrower, the Agent, and an applicable deposit taking institution at which such Borrower maintains its Control Account, providing for immediate or subsequent control of such account by the Agent, for itself and the Lenders, such agreement to be in form and substance reasonably acceptable to Agent.

“**Development Plans**” shall mean, collectively, the Razor Development Plan and the SHGPC Development Plan, and a “**Development Plan**” shall mean any one of them.

“**Dollars**” and “**\$**” shall mean dollars in lawful currency of the United States of America.

“**EBITDA**” shall mean the Loan Parties’: (a) consolidated net income; plus (b) consolidated interest expense; plus (c) all amounts treated as expenses for depreciation, depletion and the amortization of intangibles of any kind; plus (d) all accrued taxes on or measured by income; plus or minus (e) any gains or losses attributable to writeups or writedowns of assets; plus or minus (f) non-cash share based compensation or recovery amounts.

“**Effective Date**” means the date on which the conditions specified in Section 3.1 are satisfied.

“**Eligible Contract Participant**” shall have the meaning assigned to such term in the Commodity Exchange Act and the regulations thereunder.

“**Energy Regulator**” shall mean (a) with respect to Alberta, the AER, (b) with respect to British Columbia, the BC Oil and Gas Commission, (c) with respect to Saskatchewan, the Saskatchewan Ministry of Energy and Resources, and (d) with respect to any other relevant jurisdictions where the applicable Loan Party has Oil & Gas Properties, the regulatory body with responsibility for the oversight of environmental matters in the oil and gas industry in such jurisdiction; and in each case, together with any successor agency, department, ministry or commission thereto.

“**Environmental Certificate**” shall mean the certificate, substantially in the form attached hereto as Exhibit D, executed by the President or Financial Officer

of either of the Borrowers and furnished to the Agent from time to time in accordance with the provisions of Section 5.3, as the case may be.

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

“Environmental Complaint” shall mean any written or oral complaint, order, directive, claim, citation, notice of environmental report or investigation, or other notice by any Governmental Authority or any other Person with respect to (a) air emissions, (b) spills, releases, or discharges to soils, any improvements located thereon, surface water, groundwater, or the sewer, septic, waste treatment, storage, or disposal systems servicing any Property of the Loan Parties, (c) solid or liquid waste disposal, (d) the use, generation, storage, transportation, or disposal of any Hazardous Substance, or (e) other environmental, health, or safety matters affecting any Property of the Loan Parties or the business conducted thereon.

“Environmental Laws” shall mean any laws relating, in whole or in part, to the protection or enhancement of the Environment, including with respect to occupational safety, product liability, public health, public safety and transportation or handling of dangerous goods.

“Equity Interests” shall mean shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such Equity Interest.

“Equity Raise” shall mean the issuance of Equity Interests of either of the Borrowers and the exercise, for cash, of any warrants issued by either of the Borrowers and outstanding on the Closing Date.

“Event of Default” shall mean any of the events specified in Section 7.1.

“Excluded Property” shall mean:

(a) any and all equity and other interests in the capital of Blade Energy Services Corp., Razor Resources Corp. and the SHGPC Parent, and any of their Subsidiaries, held by any Loan Party from time to time; and

(b) any and all property, assets and undertaking owned by Blade Energy Services Corp., Razor Resources Corp. or the SHGPC Parent, and any of their Subsidiaries (other than SHGPC), from time to time, other than Equity Interests in the capital of SHGPC held by the SHGPC Parent.

“Excluded Swap Obligation” shall mean, with respect to any Loan Party, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such Loan Party or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

“Excluded Taxes” means (a) with respect to any and all payments to the Agent, any Lender or any recipient of any payment to be made by or on account of any Obligation, (i) income taxes, branch profits or similar taxes, franchises and excise taxes (to the extent imposed in lieu of net income taxes) and all interest, penalties and liabilities with respect thereto imposed on the Agent, Lender or any recipient of any payment to be made by or on account of any Obligation and (ii) any withholding tax that the Agent or a Lender is required to pay or incur pursuant to Part XIII of the ITA that (A) would not have been imposed had the recipient and the payor of the amount been dealing with each other at arm’s length for the purposes of the ITA; or (B) that arises because a dividend is deemed to be received by a recipient in accordance with Subsection 214(16) or Subsection 214(17) of the ITA, and all interest, penalties and liabilities with respect thereto, imposed on the Agent or any Lender, and (b) with respect to Agent, any Lender or any other Person, any Taxes unrelated to the Obligations or this Agreement.

“Executive Order No. 13224” shall mean Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

“Existing Security” means, collectively, all Security Documents previously granted by the Loan Parties (and each of them) pursuant to the Original Agreement.

“Federal Funds Rate” shall mean, for any day, the rate per annum (rounded upwards to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank on the second Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the second succeeding Business Day as so published on the second succeeding Business Day, and (b) if no such rate is so published on such second succeeding Business Day, the

Federal Funds Rate for such day shall be the average rate charged to the Agent on such day on such transactions as determined by the Agent.

“Fee Agreement” means the second amended and restated fee letter from the Agent and accepted by the Borrowers dated as of the date hereof, as amended, supplemented, restated or otherwise modified from time to time.

“Finance Lease Obligations” means, as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real and/or personal property which obligations are required to be classified and accounted for as a finance lease on a balance sheet of such Person.

“Financial Officer” shall mean, for any Business Entity, the chief financial officer, principal accounting officer, treasurer, manager or controller of such Business Entity.

“Financial Statements” shall mean statements of the financial condition of the Parent Guarantor on a consolidated basis, and SHGPC on a standalone basis, as at the point in time and for the period indicated, including all notes thereto, and consisting of at least a balance sheet and related statements of operations, shareholders, members’ or partners’ equity and cash flows and, when required by applicable provisions of this Agreement, to be audited, accompanied by the unqualified certification of a nationally-recognized or regionally-recognized firm of independent certified public accountants or other independent certified public accountants reasonably acceptable to the Agent and footnotes to any of the foregoing, all of which, unless otherwise indicated, shall be prepared in accordance with GAAP consistently applied and in comparative form with respect to the corresponding period of the preceding fiscal year.

“Force Majeure Event” means an act of God, strike, lockout, explosion, act of sabotage, riot, civil commotion, act of war, fire, other casualty or any other cause beyond the reasonable control of the Loan Parties which stops the production of Hydrocarbons at, or in connection with, the Royalty Lands for at least five (5) consecutive Business Days, provided that Razor LP must notify the Agent immediately (and in any event within one (1) Business Day) following the commencement of the Force Majeure Event, and provided further that the Agent will determine acting reasonably whether a Force Majeure Event has occurred. For the purposes of this definition, the following are expressly excluded as Force Majeure Events: (i) a shortage of funds by any Loan Party or any other Person performing work on, or in connection with, the Royalty Lands, (ii) general economic conditions, and (iii) economic conditions affecting the energy market or any portion thereof.

“Foreign Lender” shall have the meaning assigned to such term in Section 2.8(f).

“**FutEra USA**” means the unanimous shareholder agreement among the Parent Guarantor, AIMCo, Seibu Investments Ltd. and the SHGPC Parent in respect of the SHGPC Parent dated June 16, 2023, as amended, supplemented, restated or otherwise modified from time to time.

“**GAAP**” shall mean generally accepted accounting principles established by the International Accounting Standards Board. For greater certainty, any material changes in accounting policy under International Financial Reporting Standards will not affect the calculation of the current covenants pursuant to this Agreement.

“**GORR Agreement**” means the overriding royalty agreement dated February 16, 2021 between the Parent Guarantor, as royalty payor, and Razor LP, as royalty owner, as amended by the amending agreement dated March 9, 2022.

“**Governmental Authority**” shall mean any nation, country, commonwealth, territory, government, state, province, county, parish, municipality, or other political subdivision and any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government.

“**Governmental Authorization**” means in respect of any transaction, Person or event, any authorization, exemption, license, permit, franchise or approval from, or any filing or registration with, any Governmental Authority applicable to such transaction, Person or event or to any of such Person's business, undertaking or property, and “**Governmental Authorizations**” means any and all of the foregoing.

“**GP**” shall mean, together with its successors and assigns, the general partner of Razor LP, being Razor Holdings GP Corp.

“**Guarantor**” shall mean Parent Guarantor, SHGPC and each Person which joins this Agreement as a Guarantor after the date hereof.

“**Guarantee Agreement**” shall mean any continuing agreement of guarantee and suretyship in form and substance satisfactory to the Agent executed and delivered by (a) the Parent Guarantor to the Agent for the benefit of the Lenders, (b) SHGPC to the Agent for the benefit of the Lenders, and (b) any other party that from time to time becomes a Guarantor hereunder after the Closing Date.

“**Hazardous Substances**” shall mean any substance regulated or as to which liability might arise under any applicable Environmental Law including: flammables, explosives, radioactive materials, hazardous wastes, asbestos, or any material containing asbestos, polychlorinated biphenyls (PCBs), radon, infectious or medical wastes, toxic substances or related materials, petroleum, petroleum products, petroleum substances, associated oil or natural gas exploration, production, and development wastes and any components, fractions, or derivatives

thereof, or any chemical, compound, material, product, byproduct, substance or waste.

“Hedge Agreement” shall mean a contract entered into between a Person and a counterparty on a case by case basis in connection with either: (i) a forward rate, currency swap or currency exchange and other similar currency related transactions, the purpose and effect of which is to mitigate or eliminate such Person's exposure to fluctuations in exchange rates, (ii) interest rate swap transactions, interest rate options, cap transactions, floor transactions, collar transactions and other similar interest rate related transactions, the purpose and effect of which is to mitigate or eliminate such Person's exposure to fluctuations in interest rates, or (iii) Commodity Hedge Agreements.

“Highest Lawful Rate” shall mean, with respect to any Lender, the maximum non-usurious interest rate, if any (or, if the context so requires, an amount calculated at such rate), that at any time or from time to time may be contracted for, taken, reserved, charged or received under laws applicable to such Lender, as such laws are presently in effect or, to the extent allowed by applicable law, as such laws may hereafter be in effect and which allow a higher maximum non-usurious interest rate than such laws now allow.

“Hydrocarbon Interests” means all rights, titles, interests and estates now or hereafter acquired in and to oil sand properties, oil and gas leases, oil, gas and mineral leases, or other liquid or gaseous hydrocarbon leases, mineral fee interests, overriding royalty and royalty interests, farm-outs, net profit interests, carried interests and production payments and similar mineral interests, including any reserved or residual interests of whatever nature.

“Hydrocarbons” means oil, gas, coal seam gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, and all other liquid and gaseous hydrocarbons produced or to be produced in conjunction therewith from a well bore and all products, by-products, and other substances produced in conjunction with such substances, including sulfur, geothermal steam, water, carbon dioxide, helium, and any and all minerals, ores, or substances of value and all products refined or separated therefrom and the proceeds therefrom.

“Indebtedness” shall mean, as to any Person, without duplication, (a) all liabilities (excluding capital, surplus, reserves for deferred income taxes, deferred compensation liabilities, other deferred liabilities and credits) which in accordance with GAAP would be included in determining total liabilities as shown on the liability side of a balance sheet, (b) all obligations of such Person evidenced by bonds, debentures, promissory notes or similar evidences of indebtedness, (c) all other indebtedness of such Person for borrowed money, (d) all obligations of others, to the extent any such obligation is secured by a Lien on the assets of such Person (whether or not such Person has assumed or become liable for the obligation secured by such Lien), (e) the principal component of all direct or Contingent Obligations of such Person under letters of credit, banker's acceptances and similar

instruments and (f) net obligations of such Person payable with respect to any Commodity Hedge Agreements, except for ordinary course of business settlement payments.

“**Indemnified Parties**” shall have the meaning assigned to such term in Section 9.13.

“**Indemnified Taxes**” means Taxes other than Excluded Taxes.

“**Indemnitee**” shall have the meaning assigned to such term in Section 5.18.

“**Indemnity and Contribution Agreement**” means the indemnity and contribution agreement among Razor LP, the Parent Guarantor and SHGPC dated March 31, 2023.

“**Information**” shall have the meaning assigned to such term in Section 9.23(b).

“**Insolvency Proceeding**” shall mean an application (whether voluntary or instituted by another Person) for or the consent to the appointment of a receiver, trustee, conservator, custodian, or liquidator of any Person or of all or a substantial part of the Property of such Person, the filing of a petition (whether voluntary or instituted by another Person) commencing or seeking liquidation, reorganization, or rearrangement or taking advantage of any bankruptcy, insolvency, debtor’s relief, or other similar law of the United States of America, Canada, the province of Alberta, or any other jurisdiction, including without limitation the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), and the *Winding-Up and Restructuring Act* (Canada).

“**Intellectual Property**” shall mean patents, patent applications, trademarks, tradenames, copyrights, technology, know-how, and processes.

“**Interest Payment Date**” shall mean, with respect to any Term Loan, the first Business Day of each calendar month.

“**Investment**” in any Person shall mean any stock, bond, note or other evidence of Indebtedness, or any other security (other than current trade and customer accounts) of, investment or partnership interest in or loan to, such Person.

“**ITA**” means the *Income Tax Act* (Canada).

“**Lien**” shall mean any interest in Property securing an obligation owed to, or a claim by, a Person other than the owner of such Property, whether such interest is based on common law, statute, or contract, and including, but not limited to, the lien or security interest arising from a mortgage, ship mortgage, encumbrance, pledge, security agreement, conditional sale or trust receipt, or a lease, consignment, or bailment for security purposes (other than true leases or true consignments), liens of mechanics, materialmen, and artisans, maritime liens and

reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases, and other title exceptions and encumbrances affecting Property which secure an obligation owed to, or a claim by, a Person other than the owner of such Property (for the purpose of this Agreement, a Loan Party shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement, financing lease, or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes).

“**Limitation Period**” shall mean, with respect to any Lender, any period while any amount remains owing on any Note payable to such Lender and interest on such amount, calculated at the Applicable Rate, plus any fees or other sums payable to such Lender under any Loan Document and deemed to be interest under applicable law, would exceed the amount of interest which would accrue at the Highest Lawful Rate.

“**LLR**” shall mean with respect to those Hydrocarbons located in the Province of Alberta, the liability management rating of a licensee calculated in accordance with Directive 006: Licensee Liability Rating (LLR) Program and Licence Transfer Process dated February 17, 2016 issued by the AER, as the same may be amended, supplemented or replaced from time to time.

“**Loan Balance**” shall mean, at any point in time, the aggregate outstanding principal balance of the Notes at such time.

“**Loan Documents**” shall mean this Agreement, the Notes, the Guarantee Agreement, the Security Documents and all other documents and instruments now or hereafter delivered pursuant to the terms of or in connection with any of the foregoing, and all renewals and extensions of, amendments and supplements to, and restatements of, any or all of the foregoing from time to time in effect.

“**Loan Parties**” shall mean the Borrowers, the GP and the Parent Guarantor.

“**Material Adverse Effect**” shall mean (a) any adverse effect on the business, operations, properties, liabilities or financial condition of the Loan Parties, on a consolidated basis, which increases, in any material respect, the risk that any of the Obligations will not be repaid as and when due, (b) any material and adverse effect upon the Collateral, including any material and adverse effect upon the value or impairment of any Loan Party’s or any other Person’s ownership of any material portion of the Collateral, (c) any material adverse effect on the validity or enforceability of any Loan Document or (d) any material adverse effect on the rights or remedies of the Agent or any Lender under an Loan Document.

“**Material Contract**” means any right, interest, agreement, arrangement or understanding entered into by any Loan Party, whether written or oral, the loss or termination of which (without replacement), or under which the acceleration of any

payment obligation, in each case by or of such Loan Party, would have a Material Adverse Effect.

“Maturity Date” shall mean:

(a) in the case of Term Loan 1 and Term Loan 2, the earlier to occur of (i) April 1, 2024, or (ii) the date Term Loan 1 and Term Loan 2 are accelerated pursuant to this Agreement; and

(b) in the case of Term Loan 3, the earlier to occur of (i) April 1, 2026, or (ii) the date Term Loan 3 is accelerated pursuant to this Agreement.

“Minimum Required Commodity Hedge Agreements” shall mean Commodity Hedge Agreements between any Loan Party and one or more Approved Hedge Counterparties ensuring that not less than 80% of Razor LP’s twenty (20) months forward projected Overriding Royalty (collectively as defined in each of the GORR Agreement and the Swan Hills GORR Agreement), based on the most recent Reserve Report, is in place to maintain the payment schedule attached hereto as Schedule 2.6.

“Mortgaged Properties” shall mean all Oil & Gas Properties of Razor LP and the Parent Guarantor subject to a perfected first-priority Lien (subject only to Prior Permitted Liens) in favour of the Agent, as security for the Obligations.

“Notes” shall mean, collectively, the promissory note or notes executed by the Borrowers, or either of them, and payable to each Lender in the face amount of the Percentage Share of such Lender of the amount of each Term Loan in the form attached hereto as Exhibit A with all blanks in such form completed appropriately, together with all renewals, extensions for any period, increases and rearrangements thereof.

“Obligations” shall mean, without duplication of the same amount in more than one category, (a) all Indebtedness of the Borrowers evidenced by the Notes, (b) all other obligations and liabilities of the Loan Parties to the Agent or the Lenders, now existing or hereafter incurred, under, arising out of or in connection with any other Loan Document, and (c) amounts owing or to be owing by any Loan Party to any Lender under any Commodity Hedge Agreements between such Loan Party and such Lender (which it is agreed shall rank *pari passu* with all other items listed in this definition), except Excluded Swap Obligations, and to the extent that any of the foregoing includes or refers to the payment of amounts deemed or constituting interest, only so much thereof as shall have accrued, been earned and which remains unpaid at each relevant time of determination.

“OFAC” shall mean the Office of Foreign Assets Control of the United States of America Department of the Treasury, or any other any successor Governmental Authority.

“Oil & Gas Properties” means (a) Hydrocarbon Interests; (b) the Properties now or hereafter pooled or unitized with Hydrocarbon Interests; (c) all presently existing or future unitization, communitization, pooling agreements and declarations of pooled units and the units created thereby (including without limitation all units created under orders, regulations and rules of any Governmental Authority) which may affect all or any portion of the Hydrocarbon Interests; (d) all operating agreements, contracts and other agreements, including production sharing contracts and agreements, which relate to any of the Hydrocarbon Interests or the production, sale, purchase, exchange or processing of Hydrocarbons from or attributable to such Hydrocarbon Interests; (e) all Hydrocarbons in and under and which may be produced and saved or attributable to the Hydrocarbon Interests, including all oil in tanks, pipes or wherever else the same may be stored or in transit from time to time, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests; (f) all tenements, hereditaments, appurtenances and Properties in any manner appertaining, belonging, affixed or incidental to the Hydrocarbon Interests and (g) all Surface Rights and other Properties, rights, titles, interests and estates described or referred to above, including any and all Property, real or personal, now owned or hereafter acquired and situated upon, used, held for use or useful in connection with the operating, working or development of any of such Hydrocarbon Interests or Property (excluding drilling rigs, automotive equipment, rental equipment or other personal Property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) and including any and all wells, well pads, buildings, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, field gathering systems, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements and servitudes together with proceeds from and all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing.

“Other Taxes” means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made under any Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document.

“Percentage Share” shall mean, as to each Lender, the applicable percentage set forth on Schedule 2.2.

“Permitted Liens” shall mean:

(a) undetermined or inchoate Liens arising in the ordinary course of and incidental to current operations which have not been filed pursuant to law against any Loan Party in respect of which no steps or proceedings to enforce such Lien have been initiated or which relate to obligations which are not due or delinquent, or if due or delinquent, are being contested in good faith by appropriate

proceedings, and such reserve as may be required by GAAP shall have been made therefor;

(b) Liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the joint operation of Oil & Gas Properties or related production or processing facilities as security in favour of any other Person conducting the development or operation of the property to which such Liens relate, for any of the applicable Loan Party's portion of the costs and expenses of such development or operation, provided such costs or expenses are not due or delinquent, or if due or delinquent, are being contested in good faith by appropriate proceedings, and such reserve as may be required by GAAP shall have been made therefor;

(c) Liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the transmission of the property to which such Liens relate, for the applicable Loan Party's portion of the costs and expenses of such transmission, provided that such costs or expenses are not due or delinquent, or, if due or delinquent, are being contested in good faith by appropriate proceedings, and such reserve as may be required by GAAP shall have been made therefor;

(d) to the extent a Lien is created thereby, easements, rights-of-way, servitudes, zoning or other similar rights or restrictions in respect of land held by any Loan Party (including rights-of-way and servitudes for railways, sewers, drains, pipe lines, gas and water mains, electric lights and power and telephone or telegraph or cable television conduits, poles, wires and cables) which, either alone or in the aggregate, do not materially detract from the value of such land or materially impair its use in the operation of the business of any Loan Party;

(e) any Lien arising in connection with worker's compensation, unemployment insurance, pension and employment Laws, provided that no amounts are due or delinquent under such laws, or if due or delinquent, are being contested in good faith by appropriate proceedings, and such reserve as may be required by GAAP shall have been made therefor;

(f) to the extent a Lien is created thereby, the right reserved to or vested in any municipality or governmental or other public authority or any other lessor or grantor by the terms of any lease, license, franchise, grant or permit acquired by any Loan Party or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;

(g) to the extent a Lien is created thereby, all reservations in the original grant from the Crown of any lands and premises or any interests therein and all statutory exceptions, qualifications and reservations in respect of title;

(h) Liens securing Purchase Money Obligations and Finance Lease Obligations existing as of the date hereof and any refinancings thereof from time to time, together with Liens securing new Purchase Money Obligations and Finance Lease Obligations not exceeding \$100,000 in the aggregate;

(i) public and statutory Liens not yet due and similar liens arising by operation of law;

(j) Liens for Taxes, assessments or governmental charges which are not due or delinquent or, if due and delinquent, are being contested in good faith by appropriate proceedings, and such reserve as may be required by GAAP shall have been made therefor;

(k) Liens under or pursuant to any judgment rendered or claim filed against a Loan Party which such Loan Party is contesting in good faith by appropriate proceedings, and such reserve as may be required by GAAP shall have been made therefor, to the extent the existence of such Lien does not constitute an Event of Default under Section 7.1(h);

(l) Liens in favour of a public utility or any municipality or other Governmental Authority, provided that any such Lien is required by such utility or municipality or other Governmental Authority in connection with the operations of any Loan Party in the ordinary course of its business, and such Liens in the aggregate to do materially detract from the value of the asset concerned or materially impair its use in the operation of the business of the Borrowers, or either of them;

(m) Liens in deposits made in connection with credit card and cash management services;

(n) Liens in favour of the Agent securing the Obligations and other Liens expressly permitted hereunder or in the Security Documents;

(o) Liens created by the Overriding Royalty, collectively as defined in each of the GORR Agreement and the Swan Hills GORR Agreement;

(p) each land charge registered against the Parent Guarantor at the Alberta Personal Property Registry as registration numbers 19040417514 and 19040417874;

(q) Liens entered into in connection with the Minimum Required Commodity Hedge Agreements; and

(r) any Lien from time to time disclosed by the Borrowers to the Lenders and which is consented in writing to by the Lenders.

“**PDP**” shall mean Proved Developed Producing Reserves.

“**Person**” shall mean an individual, corporation, partnership, limited liability company, trust, unincorporated organization, government, any agency or political subdivision of any government or any other form of entity.

“**PIK Interest**” shall have the meaning assigned to it in Section 2.6(b)(ii).

“**Plans and Specifications**” shall mean the plans and specifications pertaining to the construction and development of the SHGPC Power Plant, including, without limitation, all site, floor, structural, architectural, mechanical, electrical, landscape and interior design plans and specifications, survey materials, each prepared by or at the direction of SHGPC.

“**PPSA**” shall mean the *Personal Property Security Act* (Alberta), including the regulations thereto, provided that, if perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder on the Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security in effect in a jurisdiction in Canada other than the province of Alberta, then “PPSA” shall mean such legislation.

“**Principal Office**” shall mean the principal office or account of the Agent in New York, New York, presently located at 405 Lexington Avenue, 59th Floor, New York, New York 10174 or such other location or account as Agent may designate from time to time.

“**Prior Permitted Liens**” shall mean the Permitted Liens described in clauses (c), (d), (e), (f), (g), (i), (l) and (p) of the definition of such term.

“**Project Budget**” means the aggregate of all costs to achieve completion of construction and commercial operation of the SHGPC Power Plant in accordance with the Plans and Specifications and Construction Schedule.

“**Property**” shall mean any interest in any kind of property or asset, whether real, personal or mixed, tangible or intangible.

“**Proved Developed Producing Reserves**” has the meaning assigned to such term in the SPE/SEC Standards.

“**Proved Reserves**” has the meaning assigned to such term in the SPE/SEC Standards.

“**Proved Undeveloped Reserves**” has the meaning assigned such term in the SPE/SEC Standards.

“**PUD**” shall mean Proved Undeveloped Reserves.

“**Purchase Money Obligation**” means any secured Indebtedness of any Loan Party created or assumed to finance any part of the purchase price of real or

tangible personal property, and including any extensions, renewals or refunding of any such Indebtedness, provided that the principal amount of such Indebtedness outstanding on the date of such extension, renewal or refunding is not increased and further provided that the Lien given in respect of such Indebtedness shall not extend to any property other than the property acquired in connection with which such Indebtedness was created or assumed, any proceeds thereof and fixed improvements, if any, erected or constructed thereon.

“**PV-10**” shall mean present value discounted at ten percent (10%).

“**Qualified ECP Guarantor**” shall mean, in respect of any Swap Obligation, each Loan Party that has total assets exceeding \$10,000,000 at the time of the relevant guarantee or the relevant grant of any security interest becomes effective with respect to such Swap Obligation or such other Person as constitutes an Eligible Contract Participant and can cause another Person to qualify as an Eligible Contract Participant at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“**Razor Development Plan**” shall mean the plan for the development of the Royalty Lands (and such other Oil & Gas Properties as may be approved by the Agent acting reasonably) prepared by Razor LP and the Parent Guarantor and approved by the Agent acting reasonably, as updated pursuant to Section 5.4(d). A copy of the Razor Development Plan approved by the Agent as of the Closing Date is attached hereto as Schedule 1.2A.

“**Razor Management**” shall mean the senior management of Razor LP, including but not limited to the President, any Vice Presidents, and the Financial Officer.

“**Razor Specified Accounts**” shall mean the Canadian dollar deposit account with account number 14-822-25 and maintained by Razor LP with National Bank of Canada, and the United States dollar deposit account with account number 01-649-63 and maintained by Razor LP with National Bank of Canada.

“**Register**” shall have the meaning assigned to it in Section 9.1(b).

“**Regulatory Change**” shall mean, with respect to any Lender, the passage, adoption, institution, or amendment of any federal, state, provincial, local, or foreign Requirement of Law, or any interpretation, directive, or request (whether or not having the force of law) of any Governmental Authority or monetary authority charged with the enforcement, interpretation, or administration thereof, occurring after the Closing Date and applying to a class of lenders including such Lender; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, shall in each case be deemed to be a “Regulatory Change”, regardless of the date enacted, adopted or issued and (y) all requests, rules, guidelines or directives promulgated

by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Regulatory Change”, regardless of the date enacted, adopted or issued.

“**Release of Hazardous Substances**” shall mean any emission, spill, release, disposal, or discharge, except in accordance with a valid permit, license, certificate, or approval of the relevant Governmental Authority, of any Hazardous Substance into or upon (a) the air, (b) soils or any improvements located thereon, (c) surface water or groundwater, or (d) the sewer or septic system, or the waste treatment, storage, or disposal system servicing any Property of the Loan Parties.

“**Required Currency**” shall have the meaning assigned to such term in Section 9.11.

“**Required Lenders**” shall mean Lenders whose Percentage Shares total at least sixty six percent (66%).

“**Requirement of Law**” shall mean, as to any Person, the certificate or articles of incorporation and by-laws, the certificate or articles of organization and regulations, operating agreement or limited liability company agreement, the agreement of limited partnership or other organizational or governing documents of such Person, and any applicable law, treaty, ordinance, order, judgment, rule, decree, regulation or determination of an arbitrator, court or other Governmental Authority, including rules, regulations, orders and requirements for permits, licenses, registrations, approvals or authorizations, in each case as such now exist or may be hereafter amended and are applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

“**Reserve Holdback**” shall have the meaning assigned to such term in Section 2.17.

“**Reserve Report**” shall mean each report prepared by Sproule Associates or such other reservoir engineering firm approved in writing by the Agent utilizing the Agent’s commodity price deck, covering the Reserves attributable to the interests of one or more of the Loan Parties in Oil & Gas Properties.

“**Reserves**” shall mean volumes of Hydrocarbons.

“**Responsible Officer**” shall mean, as to any Business Entity, its President, any of its Vice Presidents, managers, its Financial Officer or any other Person duly authorized, in accordance with the applicable organizational documents, bylaws, operating agreement, regulations or resolutions, to act on behalf of such Business Entity.

“**Royalty Lands**” has the meaning assigned to each such term, collectively, in the GORR Agreement and the Swan Hills GORR Agreement.

“Royalty Purchase Agreement” means the royalty purchase and sale agreement dated February 16, 2021 between the Parent Guarantor, as vendor, and Razor LP, as purchaser, respecting the purchase and sale of the Overriding Royalty (as defined therein).

“Sanctions” means any laws or regulations or restrictive measures relating to economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by a Sanctions Authority.

“Sanctions Authority” means (i) the United Nations Security Council; (ii) the United States government; (iii) the European Union; (iv) the United Kingdom government; (v) the Canadian government; (vi) the respective governmental institutions and agencies of any of the foregoing, including without limitation, OFAC, the United States Department of State and Department of Commerce, and Her Majesty's Treasury; and (vii) any other governmental institution or agency with responsibility for imposing, administering or enforcing Sanctions with jurisdiction over the Loan Parties or any of its Subsidiaries (collectively referred to as **“Sanctions Authorities”**).

“Sanctions Designated Persons” shall mean any Person that is (i) described or designated under the Specially Designated Nationals and Blocked Persons List maintained by OFAC, the Denied Persons List maintained by the U.S. Department of Commerce, the Consolidated List of Financial Sanctions Targets maintained by Her Majesty's Treasury, or any other list issued or maintained by any Sanctions Authority of persons subject to Sanctions (including investment or related restrictions), each as amended, supplemented or substituted from time to time, or (ii) engaged in any dealings or transaction with any Sanctions Designated Person.

“SEC” means the Securities and Exchange Commission or any successor Governmental Authority.

“Security Documents” shall mean, collectively, (a) the security documents executed and delivered by the Loan Parties securing the Term Loans, including but not limited to: (i) \$50,000,000 fixed and floating charge debenture from Razor LP, (ii) \$50,000,000 fixed and floating charge debenture from the Parent Guarantor, (iii) debenture pledge agreement from each of the Loan Parties, (iv) Guarantee Agreement from the Parent Guarantor, (v) securities pledge agreement from the Parent Guarantor pledging Equity Interests in Razor LP and the GP, (vi) Guarantee Agreement from SHGPC, (vii) general security agreement from SHGPC, (viii) limited recourse guarantee from SHGPC Parent, (ix) securities pledge agreement from SHGPC Parent pledging Equity Interests in SHGPC, and (x) assignment of GORR Agreement and Swan Hills GORR Agreement from Razor LP and (b) other documents and instruments at any time executed as security for all or any portion of the Obligations, as such instruments may be amended, supplemented, restated or otherwise modified from time to time.

“**SHGPC Development Plan**” shall mean the plan for the development of the SHGPC Power Plant (and such other related properties as may be approved by the Agent acting reasonably) prepared by SHGPC and approved by the Agent acting reasonably, as updated pursuant to Section 5.4(d). A copy of the SHGPC Development Plan approved by the Agent as of the Closing Date is attached hereto as Schedule 1.2A.

“**SHGPC Parent**” means FutEra Power Corp. and all successors thereto.

“**SHGPC Power Plant**” means the 21 megawatt (nameplate capacity) combined natural gas and geothermal power facility owned by SHGPC.

“**SHGPC Specified Accounts**” shall mean the Canadian dollar deposit account with account number 00614051-1482624 and maintained by SHGPC with National Bank of Canada, and the United States dollar deposit account with account number 00614051-0165668 and maintained by SHGPC with National Bank of Canada.

“**SPE**” means the Society of Petroleum Engineers.

“**SPE Definitions**” means, with respect to any term, the definition thereof as adopted by the Board of Directors of the SPE.

“**SPE/SEC Standards**” means the more restrictive of the standards and/or definitions, as determined by the Agent, set forth by (a) the SEC and (b) the SPE or the SPE Definitions.

“**Subsidiary**” shall mean, as to any Person, any Business Entity of which shares of stock or other Equity Interests having ordinary voting power (other than stock having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other governing body or managers of such Business Entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

“**Surface Rights**” means all rights of the Loan Parties to use the surface of land in connection with the Hydrocarbon Interests, including the right to enter upon and occupy the surface of land on which the tangibles are located and rights to cross or otherwise use the surface of land for access to the Hydrocarbon Interests, including all access roads, together with all extensions, renewals, replacements, substitutions or amendments of or to any of the foregoing.

“**Swan Hills GORR Agreement**” means the overriding royalty agreement dated July August 12, 2021 between the Parent Guarantor, as royalty payor, and Razor LP, as royalty owner, as amended by the amending agreement dated March 9, 2022.

“**Swan Hills Royalty Purchase Agreement**” means the royalty purchase and sale agreement dated August 12, 2021 between the Parent Guarantor, as vendor, and Razor LP, as purchaser, respecting the purchase and sale of the Overriding Royalty (as defined therein).

“**Swap**” has the meaning assigned to such term in Section 1a(47) of the Commodity Exchange Act.

“**Swap Obligation**” shall mean, with respect to the Loan Parties, any obligation to pay or perform under any agreement, contract or transaction that constitutes a Swap or any rules or regulations promulgated thereunder.

“**Taxes**” means any and all present or future taxes, levies, imposts, duties, fees, deductions, charges or withholdings imposed by any Governmental Authority.

“**Tendered Currency**” shall have the meaning assigned to such term in Section 9.11.

“**Term Loan 1**” shall have the meaning assigned to such term in Section 2.2(a).

“**Term Loan 1 Advance Date**” shall have the meaning assigned to such term in Section 2.2(a).

“**Term Loan 2**” shall have the meaning assigned to such term in Section 2.3(a).

“**Term Loan 2 Advance Date**” shall have the meaning assigned to such term in Section 2.3(a).

“**Term Loan 3**” shall have the meaning assigned to such term in Section 2.4(a).

“**Term Loan 3 Advance Date**” shall have the meaning assigned to such term in Section 2.4(a).

“**Term Loans**” shall mean the loans made by the Lenders to or for the benefit of the Borrowers, or any one of them as the case may be, pursuant to this Agreement, including Term Loan 1, Term Loan 2 and Term Loan 3, and “**Term Loan**” shall mean any one of them.

“**Transferee**” shall mean any Person to which any Lender has sold, assigned, transferred or granted a participation in any of the Obligations, as authorized pursuant to the provisions of Section 9.1, and any Person acquiring, by purchase, assignment, transfer or participation, from any such purchaser, assignee, transferee or participant, any part of such Obligations.

“USA Patriot Act” shall mean USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

1.3 Undefined Financial Accounting Terms.

Financial accounting terms used in this Agreement without definition are used herein with the respective meanings assigned thereto in accordance with GAAP at the time in effect.

1.4 References.

References in this Agreement to Schedule, Exhibit, Article or Section numbers shall be to Schedules, Exhibits, Articles or Sections of this Agreement, unless expressly stated to the contrary. References in this Agreement to “hereby,” “herein,” “hereinafter,” “hereinabove,” “hereinbelow,” “hereof,” “hereunder” and words of similar import shall be to this Agreement in its entirety and not only to the particular Schedule, Exhibit, Article or Section in which such reference appears. Specific enumeration herein shall not exclude the general and, in such regard, the terms “includes” and “including” used herein shall mean “includes, without limitation,” or “including, without limitation,” as the case may be, where appropriate. Except as otherwise indicated, references in this Agreement to statutes, sections or regulations are to be construed as including all statutory or regulatory provisions consolidating, amending, replacing, succeeding or supplementing the statute, section or regulation referred to. References in this Agreement to “writing” include printing, typing, lithography, facsimile reproduction and other means of reproducing words in a tangible visible form. References in this Agreement to agreements and other contractual instruments shall be deemed to include all exhibits and appendices attached thereto and all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement. References in this Agreement to Persons include their respective successors and permitted assigns.

1.5 Articles and Sections.

This Agreement, for convenience only, has been divided into Articles and Sections; and it is understood that the rights and other legal relations of the parties hereto shall be determined from this instrument as an entirety and without regard to the aforesaid division into Articles and Sections and without regard to headings prefixed to such Articles or Sections.

1.6 Number and Gender.

Whenever the context requires, reference herein made to the single number shall be understood to include the plural; and likewise, the plural shall be understood to include the singular. Definitions of terms defined in the singular or plural shall be equally applicable to the plural or singular, as the case may be, unless otherwise indicated. Words denoting sex shall be construed to include the masculine, feminine and neuter, when such construction is appropriate; and specific enumeration shall not exclude the general but shall be construed as cumulative.

1.7 Incorporation of Schedules and Exhibits.

The Schedules and Exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for all purposes.

1.8 Negotiated Transaction.

Each party to this Agreement affirms to the others that it has had the opportunity to consult, and discuss the provisions of this Agreement with, independent counsel and fully understands the legal effect of each provision.

ARTICLE II
TERMS OF FACILITY

2.1 Amendment and Restatement.

From and after the date hereof, and subject to the terms and conditions of this Agreement, the Lenders, the Agent and the Loan Parties agree that, effective on the Effective Date, the Original Agreement shall be amended in its entirety on the terms and conditions of this Agreement and all indebtedness and liability of the Borrowers to the Lenders and the Agent under the Original Agreement including, without limitation, the "Term Loans" (as defined under the Original Agreement) and accrued and unpaid interest and fees thereon, shall be construed as indebtedness and liabilities of the Borrowers, as applicable, to such Lenders and the Agent under this Agreement.

Nothing herein shall affect the rights or obligations of any party which may have accrued as of the Effective Date pursuant to the provisions of the Original Agreement prior to its amendment and restatement hereunder.

2.2 Term Loan 1.

(a) Each Lender advanced its Percentage Share of "Term Loan 1" to Razor LP on February 18, 2021 (the "Term Loan 1 Advance Date") in the principal amount set forth on Schedule 2.2 for the purposes provided in Section 2.5 ("Term Loan 1"). Notwithstanding anything to the contrary contained herein (and without affecting any other provisions hereof), the funded portion of such Term Loan made on the Term Loan 1 Advance Date was equal to ninety and fifty six one hundredth percent (90.56%) of the principal amount of such Term Loan (it being agreed that the full principal amount of such Term Loan shall be the "initial" principal amount of such Term Loan and deemed outstanding on the Term Loan 1 Advance Date, and Razor LP shall be obligated to repay one hundred percent (100%) of the principal amount of such Term Loan as provided hereunder). The portion of such Term Loan to be repaid to each Lender is evidenced by a Note of such Lender.

(b) The failure of any Lender to make the portion of any such Term Loan on the Term Loan 1 Advance Date required to be made by it hereunder shall not relieve any other Lender of its obligation to make the portion of any Term Loan on the Closing Date required to be made by it, and no Lender shall be responsible for the failure of any other Lender to make its portion of any loan on the Closing Date.

2.3 Term Loan 2.

(a) Each Lender advanced its Percentage Share of “Term Loan 2” to Razor LP on August 12, 2021 (the “**Term Loan 2 Advance Date**”) in the principal amount set forth on Schedule 2.2 for the purposes provided in Section 2.5 (“**Term Loan 2**”). Notwithstanding anything to the contrary contained herein (and without affecting any other provisions hereof), the funded portion of such Term Loan made on the Term Loan 2 Advance Date was equal to ninety and fifty six one hundredth percent (90.56%) of the principal amount of such Term Loan (it being agreed that the full principal amount of such Term Loan shall be the “initial” principal amount of such Term Loan and deemed outstanding on the Term Loan 2 Advance Date, and Razor LP shall be obligated to repay one hundred percent (100%) of the principal amount of such Term Loan as provided hereunder). The portion of such Term Loan to be repaid to each Lender shall be evidenced by a Note of such Lender.

(b) The failure of any Lender to make the portion of any such Term Loan on the Term Loan 2 Advance Date required to be made by it hereunder shall not relieve any other Lender of its obligation to make the portion of any Term Loan on the Closing Date required to be made by it, and no Lender shall be responsible for the failure of any other Lender to make its portion of any loan on the Closing Date.

2.4 Term Loan 3.

(a) Each Lender advanced its Percentage Shares of “Term Loan 3” to the Borrowers on March 9, 2022 (the “**Term Loan 3 Advance Date**”) in the principal amount set forth on Schedule 2.2 for the purposes provided in Section 2.5 (the “**Term Loan 3**”). Notwithstanding anything to the contrary contained herein (and without affecting any other provisions hereof), the funded portion of such Term Loan made on the Term Loan 3 Advance Date was equal to ninety and fifty six one hundredth percent (90.56%) of the principal amount of such Term Loan (it being agreed that the full principal amount of such Term Loan shall be the “initial” principal amount of such Term Loan and deemed outstanding on the Term Loan 3 Advance Date, and the Borrowers shall be obligated to repay one hundred percent (100%) of the principal amount of such Term Loan as provided hereunder). The portion of such Term Loan to be repaid to each Lender shall be evidenced by a Note of such Lender.

(b) The failure of any Lender to make the portion of any such Term Loan on the Term Loan 3 Advance Date required to be made by it hereunder shall not relieve any other Lender of its obligation to make the portion of any Term Loan on the Closing Date required to be made by it, and no Lender shall be responsible for the failure of any other Lender to make its portion of the loan on the Closing Date.

2.5 Use of Loan Proceeds.

Proceeds of Term Loan 1 on the Term Loan 1 Advance Date were used, and to the extent still applicable, are to be used: (a) to complete the transaction contemplated by the Royalty Purchase Agreement, \$6,700,000 of the proceeds of which shall be used by the Parent Guarantor in accordance with Section 5.27; (b) for well reactivations in accordance with the Razor Development Plan; (c) for the working capital of the Loan Parties not otherwise prohibited under

applicable provisions of this Agreement or approved by the Agent; (d) for hedging activities permitted under applicable provisions of this Agreement or approved by the Agent; (d) to pay fees and expenses incurred in connection with the Original Agreement and the other Loan Documents; and (e) to fund the Reserve Holdback as set forth in Section 2.17 on the Term Loan 1 Advance Date.

Proceeds of Term Loan 2 on the Term Loan 2 Advance Date were used, and to the extent still applicable, are to be used: (a) to complete the transaction contemplated by the Swan Hills Royalty Purchase Agreement; (b) for the working capital of the Loan Parties not otherwise prohibited under applicable provisions of this Agreement or approved by the Agent; and (c) to pay fees and expenses incurred in connection with the Original Agreement and the other Loan Documents.

Proceeds of Term Loan 3 on the Term Loan 3 Advance Date were used, and to the extent still applicable, are to be used: (a) to complete the construction of the SHGPC Power Plant; (b) for the working capital of the Loan Parties not otherwise prohibited under applicable provisions of this Agreement or approved by the Agent; (c) to pay fees and expenses incurred in connection with the Original Agreement and the other Loan Documents.

2.6 Repayment of Term Loans.

(a) Principal.

(i) Term Loan 1 and Term Loan 2. Razor LP has paid, and shall continue to pay to the Agent, for the account of the Lenders, on the first Business Day of each calendar month, or if any such day is not a Business Day, on the immediately succeeding Business Day, a payment of principal as follows: (i) in the amount set out in the Payment Schedule attached hereto as Schedule 2.6, and (ii) the remainder upon the Maturity Date applicable to Term Loan 1 and Term Loan 2.

(ii) Term Loan 3. The Borrowers shall pay to the Agent, for the account of the Lenders, on the first Business Day of each calendar month beginning May 1, 2024, and continuing on the first day of each calendar month thereafter, or if any such day is not a Business Day, on the immediately succeeding Business Day, a payment of principal as follows: (i) in monthly instalments based on an amortization of 5% per month, and (ii) the remainder upon the Maturity Date applicable to Term Loan 3.

(b) Interest.

(i) Each Term Loan shall bear interest on the principal amount thereof from the date of advance, as applicable, at a rate per annum equal to the Applicable Rate. Interest shall be calculated monthly and payable in arrears in cash on each Interest Payment Date. Interest on past-due principal and, to the extent permitted by applicable law, past-due interest, shall accrue at the Default Rate and shall be payable upon demand by the Agent. While any Event of Default exists or after acceleration, interest shall accrue and Razor LP, or the Borrowers, as the case may be, shall pay interest (after as well as before entry of judgment thereon to the extent permitted by applicable law) on any amount

payable by such Borrowers hereunder, at a per annum rate equal to the lesser of (i) the Highest Lawful Rate and (ii) the Default Rate.

(ii) Payment-in-Kind Interest for Term Loan 3. In addition to the interest accruing and owing as set out above, Term Loan 3 shall bear additional interest on the amount thereof outstanding from time to time from the Term Loan 3 Advance Date until such principal is repaid at the rate of three percent (3.00%) per annum to be paid-in-kind by being capitalized and added to the outstanding principal amount of Term Loan 3 on each Interest Payment Date, and shall thereafter be deemed to be a part of the principal amount owing under Term Loan 3 and payable upon the Maturity Date applicable to Term Loan 3 (the “**PIK Interest**”). The Borrowers shall not be required to provide any Notes to the Lenders on account of the PIK Interest, however such amounts shall form part of the Obligations and be recorded by the Agent as amounts due and payable in accordance with the terms and conditions herein.

2.7 Outstanding Amounts.

(a) Notwithstanding any other provisions hereof, the Notes are intended to evidence the Obligations and shall not constitute stand-alone obligations of the Borrowers, as applicable. To the extent any provision of the Notes conflicts with the provisions of this Agreement, the provisions of this Agreement shall be determinative.

(b) The outstanding principal balance of the Notes of each Lender reflected by the notations of such Lender on its records shall be deemed presumptive evidence of the principal amount owing on such Notes. The liability for payment of principal and interest evidenced by each Note shall be limited to principal amounts actually outstanding pursuant to this Agreement, the original issue discount amount and interest on such amounts calculated in accordance with this Agreement. The Agent shall maintain accounts in which it will record (i) the amount of each Term Loan made hereunder and the Applicable Rate or other interest rate applicable thereto; (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrowers, or either of them, to each Lender hereunder; and (iii) the amount of any sum received by the Agent hereunder for the account of the Lenders and each Lender’s share thereof. The entries made in the accounts maintained pursuant to this paragraph shall be *prima facie* evidence of the existence and amounts of the obligations therein recorded; provided that the failure of any Lender or the Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrowers to repay any of the Term Loans in accordance with their terms. In the event of any conflict between the records maintained by any Lender and the records of the Agent in respect of such matters, the records of the Agent shall control in the absence of manifest error.

(c) The Borrowers acknowledge and agree that each Borrower shall be jointly and severally liable for all obligations of the Borrowers or any of them hereunder or under any other Loan Document.

2.8 Taxes and Time, Place, and Method of Payments.

(a) All payments required pursuant to this Agreement or the Notes shall be made without set-off or counterclaim in Dollars and in immediately available funds free and clear of, and without deduction for, any Indemnified Taxes or Other Taxes; provided, however that if the Borrowers shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased by the amount (the “**Additional Amount**”) necessary so that after making all required deductions (including deductions applicable to additional sums described in this Section 2.8(a)) the Agent or any Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrowers shall make any such deductions and (iii) the Borrowers shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law. In addition, to the extent not paid in accordance with the preceding sentence, the Borrowers shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(b) The Borrowers shall jointly and severally indemnify the Agent and each Lender for Indemnified Taxes and Other Taxes payable by such Person, provided, however, that no Loan Party shall be obligated to make payment to the Agent or any Lender in respect of penalties, interest and other similar liabilities attributable to such Indemnified Taxes or Other Taxes if such penalties, interest or other similar liabilities are attributable to the gross negligence or wilful misconduct of the Person seeking indemnification; provided further, that neither any Lender nor the Agent shall be entitled to indemnification for Indemnified Taxes and Other Taxes paid by such Person more than three (3) months prior to the date such Lender or the Agent gives notice and demand thereof to the Borrowers, or either of them (except that, if the indemnification is based on a Regulatory Change giving rise to such Indemnified Taxes or Other Taxes the effect of which is retroactive, then the three (3) month period referred to above shall be extended to include the period of retroactive effect thereof).

(c) If a Lender or the Agent shall become aware that it is entitled to claim a refund from a Governmental Authority in respect of Indemnified Taxes or Other Taxes paid by any Loan Party pursuant to this Section 2.8, including Indemnified Taxes or Other Taxes as to which it has been indemnified by the Loan Parties, or with respect to which any Loan Party has paid Additional Amounts pursuant to the Loan Documents, or that, because of the payment of such Additional Amounts, it has benefited from a reduction in Excluded Taxes otherwise payable by it, it shall promptly notify the relevant Loan Party of the availability of such refund claim and, if the Lender or the Agent, as the case may be, determines in good faith that making a claim for refund will not have an adverse effect to its taxes or business operations, it shall, within 10 days after receipt of a request by the Loan Parties, make a claim to such Governmental Authority for such refund at the expense of the Loan Parties. If a Lender or the Agent receives a refund in respect of any Indemnified Taxes or Other Taxes paid by any Loan Party pursuant to the Loan Documents, it shall within 30 days from the date of such receipt pay over such refund to the relevant Loan Party (but only to the extent of Indemnified Taxes or Other Taxes paid pursuant to the Loan Documents, including indemnity payments made or Additional Amounts paid, by the relevant Loan Party under this Section 2.8 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all reasonable out of pocket expenses of such Lender or the Agent, as the case may be, and without interest (other than interest paid by the relevant Governmental Authority with respect to such refund).

(d) If any Lender or the Agent is or becomes eligible under any applicable law, regulation, treaty or other rule to a reduced rate of taxation, or a complete exemption from withholding, with respect to Indemnified Taxes or Other Taxes on payments made to it by the Loan Parties or any of them, such Lender or the Agent, as the case may be, shall, upon the request, and at the cost and expense of the Loan Parties, complete and deliver from time to time any certificate, form or other document reasonably requested by the Loan Parties, the completion and delivery of which are a precondition to obtaining the benefit of such reduced rate or exemption. For any period with respect to which a Lender or the Agent, as the case may be, has failed to provide any such certificate, form or other document requested by any Loan Party, such Lender or the Agent, as the case may be, shall not be entitled to any payment under this Section 2.8 in respect of any Indemnified Taxes or Other Taxes that would not have been imposed but for such failure. Any Lender that ceases to be, or to be deemed to be, resident in Canada for purposes of Part XIII of the *Income Tax Act* (Canada) or any successor provision thereto will within five days thereof notify the Borrowers and the Agent in writing.

(e) Each Lender organized under the laws of a jurisdiction in the United States of America, any State thereof or the District of Columbia (other than Lenders that are corporations or otherwise exempt from United States of America backup withholding Tax) shall (i) deliver to the Borrowers and the Agent, when such Lender first becomes a Lender, upon the written request of the Borrowers or the Agent, two original copies of United States of America Internal Revenue Service Form W-9 or any successor form, properly completed and duly executed by such Lender, certifying that such Lender is exempt from United States of America backup withholding Tax on payments of interest made under the Loan Documents and (ii) thereafter at each time it is so reasonably requested in writing by the Borrowers or the Agent, deliver within a reasonable time two original copies of an updated Form W-9 or any successor form thereto.

(f) Each Lender that is organized under the laws of a jurisdiction other than the United States of America, any State thereof or the District of Columbia (each such Lender, a “**Foreign Lender**”) that is entitled to an exemption from or reduction of withholding Tax under the laws of the jurisdiction in which the Loan Parties are located, or any treaty to which such jurisdiction is a party, with respect to payments under the Loan Documents shall deliver to the Borrowers and the Agent, but only at the written request of the Borrowers or the Agent, such properly completed and duly executed documentation prescribed by applicable law or reasonably requested by the Borrowers or the Agent as will permit such payments to be made without withholding or at a reduced rate, unless in the good faith opinion of any Foreign Lender such documentation would expose such Foreign Lender to any material adverse consequence or risk. Such documentation shall be delivered by such Foreign Lender on or before the date it becomes a Lender. In addition, each Foreign Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Foreign Lender. Each Lender (and, in the case of a Foreign Lender its lending office), represents that on the Closing Date, payments made hereunder by the Borrowers or the Agent to it would not be subject to United States of America federal withholding tax.

(g) Notwithstanding the provisions of Section 2.8(a), the Loan Parties shall not be required to indemnify any Foreign Lender or to pay any Additional Amounts to any Foreign Lender, in respect of United States of America federal withholding tax pursuant to Section 2.8(a), (i) to the extent that the obligation to withhold amounts with respect to United States of America

federal withholding tax existed on the date such Foreign Lender became a Lender; (ii) with respect to payments to a new lending office with respect to such Lender's Percentage Share of the Loan Balance, but only to the extent that such withholding tax exceeds any withholding tax that would have been imposed on such Lender had it not designated such new lending office; (iii) with respect to a change by such Foreign Lender of the jurisdiction in which it is organized, incorporated, controlled or managed, or in which it is doing business, from the date such Foreign Lender changed such jurisdiction, but only to the extent that such withholding tax exceeds any withholding tax that would have been imposed on such Lender had it not changed the jurisdiction in which it is organized, incorporated, controlled or managed, or in which it is doing business; or (iv) to the extent that the obligation to indemnify any Foreign Lender or to pay such Additional Amounts would not have arisen but for a failure by such Foreign Lender to comply with the provisions of Section 2.8(f).

(h) All payments by any Loan Party hereunder shall be deemed received on receipt and may be deemed (at the Agent's sole discretion) received (including for purposes of calculating interest thereon) the next Business Day following receipt if such receipt is after 2:00 p.m., Eastern Standard or Eastern Daylight Savings Time, as the case may be, on any Business Day, and shall be made to the Agent at the Principal Office. Except as provided to the contrary herein, if the due date of any payment hereunder or under any Note would otherwise fall on a day which is not a Business Day, such date shall be extended to the next succeeding Business Day, and interest shall be payable for any principal so extended for the period of such extension.

(i) Each of the Lender and the Agent is a resident of the United States for tax purposes and is fully entitled to benefits under the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital (1980).

2.9 Pro Rata Treatment; Adjustments.

(a) Except to the extent otherwise expressly provided herein (for the avoidance of doubt, including Section 7.2(f)), (i) the borrowing pursuant to this Agreement shall be made from the Lenders pro rata in accordance with their respective Percentage Shares, (ii) each payment by the Borrowers of fees shall be made for the account of the Agent or the Lenders as agreed among them, (iii) each payment in reduction of the Loan Balance shall be made for the account of the Lenders pro rata in accordance with their respective shares of the Loan Balance, (iv) each payment of interest hereunder shall be made for the account of the Lenders pro rata in accordance with their respective shares of the aggregate amount of interest due and payable to the Lenders, and (v) each payment by a Loan Party under Commodity Hedge Agreements with a Lender shall be made only to the Person or Persons entitled thereto.

(b) The Agent shall distribute all payments with respect to the Obligations to the Lenders promptly upon receipt in like funds as received. In the event that any payments made hereunder by the Borrowers or any other Loan Party at any particular time are insufficient to satisfy in full the Obligations due and payable at such time, such payments shall be applied pro rata in accordance with the Lenders' respective shares of the Loan Balance (i) first, to fees and expenses due pursuant to the terms of this Agreement or any other Loan Document, (ii) second, to accrued interest and (iii) third, to the Loan Balance (in inverse order of maturity) and any other Obligations pro rata on the basis of the ratio of the amount of all such Obligations then owing to the Agent or

the relevant Lender or Affiliate of any Lender, as the case may be, to the total amount of the Obligations then owing.

(c) If any Lender (for purposes of this Section 2.9(c), a “**Benefited Lender**”) shall at any time receive any payment of all or part of its portion of the Obligations, or receive any Collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 7.1(f) or Section 7.1(g) or otherwise) in an amount greater than such Lender was entitled to receive pursuant to the terms hereof, such Benefited Lender shall purchase for cash from the other Lenders such portion of the Obligations of such other Lenders, or shall provide such other Lenders with the benefits of any such Collateral or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or proceeds with each of the Lenders according to the terms hereof. If all or any portion of such excess payment or obtained benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded and the purchase price and benefits returned by such Lender, to the extent of such recovery, but without interest. The Borrowers agree that each such Lender so purchasing a portion of the Obligations of another Lender may exercise all rights of payment (including rights of set-off) with respect to such portion as fully as if such Lender were the direct holder of such portion. If any Lender ever receives, by voluntary payment, exercise of rights of set-off or banker’s lien, counterclaim, cross-action or otherwise, any funds of any Loan Party to be applied to the Obligations, or receives any proceeds by realization on or with respect to any Collateral, all such funds and proceeds shall be forwarded immediately to the Agent for distribution in accordance with the terms of this Agreement.

2.10 Voluntary Prepayments.

Subject to applicable provisions of this Agreement, the Borrowers, as applicable, shall have the right, at any time or from time to time, to prepay all or any portion of the Loan Balance without penalty or premium, other than the obligation to repay one hundred percent (100%) of the principal amount of each Term Loan pursuant to the provisions of Section 2.2(a) and Section 2.3(a) and Section 2.4(a) which shall not be deemed to be a penalty or premium; provided, however, that (a) the applicable Borrower, or Borrowers, shall give the Agent written notice of each such prepayment no less than three (3) Business Days prior to prepayment, (b) the Borrowers, as applicable, shall pay all accrued and unpaid interest on the amounts prepaid, and (c) no such prepayment shall serve to postpone the repayment when due of any Obligation or any installments thereof.

2.11 Mandatory Prepayments.

In addition to payments in reduction of the Loan Balance provided for in Section 2.6, the Borrowers shall pay to the Agent upon at least one (1) Business Days’ prior written notice, for application in inverse order of maturity, all proceeds (net of reasonable and customary transaction costs) from (a) the incurrence of any Indebtedness not permitted by the proviso to Section 6.1 (without waiving or modifying in any way remedies available to the Agent or the Lenders as a result of any Event of Default arising from such incurrence of Indebtedness by the applicable Borrower), (b) asset sales (other than (i) the sale of Hydrocarbons or inventory in the ordinary course of business, and (ii) sale of obsolete or unproductive assets the proceeds of which do not exceed \$100,000 in aggregate during the term of this Agreement), whether or not permitted

by the proviso to Section 6.4 (without waiving or modifying in any way remedies available to the Agent or the Lenders as a result of any Event of Default arising from such asset sale by any one or more of the Loan Parties), (c) any insurance claim, except as to (i) insurance proceeds not in excess of \$100,000 in aggregate during the term of this Agreement and (ii) insurance proceeds otherwise allowed by the Agent to be used to repair or replace damaged Property giving rise to the relevant insurance claim, and (d) an Equity Raise by either of the Borrowers; provided, further that the Borrowers may not may use any of the proceeds of an Equity Raise to redeem or repay any Indebtedness that is subordinated to the Term Loans without the prior written consent of the Agent. Any mandatory prepayment pursuant to this Section 2.11 shall be made without penalty or premium other than the obligation to repay one hundred percent (100%) of the principal amount of each Term Loan pursuant to the provisions of Section 2.2(a), Section 2.3(a) and Section 2.4(a) which shall not be deemed to be a penalty or premium. No such prepayment made pursuant to this Section 2.11 shall serve to postpone the repayment when due of any Obligation or any installments thereof.

2.12 Loans to Satisfy Obligations of the Borrowers.

Upon the occurrence and during the continuation of a Default or an Event of Default, the Lenders may, but shall not be obligated to, make loans for the benefit of the Borrowers and apply proceeds thereof to the satisfaction of any condition, warranty, representation or covenant of any Loan Party contained in this Agreement or any other Loan Document. Such loans shall be and shall bear interest at the Applicable Rate, subject, however, to the provisions of Section 2.6 regarding the accrual of interest at the Default Rate, which provisions shall be applicable to any loan made for the benefit of the Borrowers pursuant to the preceding sentence of this Section 2.12.

2.13 General Provisions Relating to Interest.

(a) It is the intention of the parties hereto to comply strictly with the usury laws of the United States of America and the usury laws of the Province of Alberta and the federal laws of Canada. In this connection, there shall never be collected, charged or received on the sums advanced hereunder plus the amount of the original issue discount interest in excess of that which would accrue at the Highest Lawful Rate.

(b) Notwithstanding anything herein or in the Notes to the contrary, during any Limitation Period, the interest rate to be charged on amounts evidenced by the Notes shall be the Highest Lawful Rate, and the obligation, if any, of the Borrowers for the payment of fees or other charges deemed to be interest under applicable law shall be suspended. During any period or periods of time following a Limitation Period, to the extent permitted by applicable laws of the United States of America and the Province of Alberta and the federal laws of Canada, the interest rate to be charged hereunder shall remain at the Highest Lawful Rate until such time as there has been paid to each applicable Lender (i) the amount of interest in excess of that accruing at the Highest Lawful Rate that such Lender would have received during the Limitation Period had the interest rate remained at the otherwise applicable rate and (ii) all interest and fees otherwise payable to such Lender but for the effect of such Limitation Period.

(c) If, under any circumstances, the aggregate amounts paid on the Notes or under this Agreement or any other Loan Document include amounts which by law are deemed interest and which would exceed the amount permitted if the Highest Lawful Rate were in effect, the Borrowers stipulate that such payment and collection will have been and will be deemed to have been, to the extent permitted by applicable laws of the United States of America and the Province of Alberta and the federal laws of Canada, the result of mathematical error on the part of the Borrowers, the Agent and the Lenders; and the party receiving such excess shall promptly refund the amount of such excess (to the extent only of such interest payments in excess of that which would have accrued and been payable on the basis of the Highest Lawful Rate) upon discovery of such error by such party or notice thereof from the Borrowers, or either of them. In the event that the maturity of any Obligation is accelerated, by reason of an election by the Lenders or otherwise, or in the event of any required or permitted prepayment, then the consideration constituting interest under applicable laws may never exceed that payable on the basis of the Highest Lawful Rate, and excess amounts paid which by law are deemed interest, if any, shall be credited by the Agent and the Lenders on the principal amount of the Obligations, or if the principal amount of the Obligations shall have been paid in full, refunded to the Borrowers, as applicable.

(d) All sums paid, or agreed to be paid, to the Agent and the Lenders for the use, forbearance and detention of the proceeds of any advance hereunder shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term hereof until paid in full so that the actual rate of interest is uniform but does not exceed the Highest Lawful Rate throughout the full term hereof.

(e) Without limiting the provisions of Sections 2.13(a), 2.13(b), Section 2.13(c) or 2.13(d), if any provision of this Agreement or of any of the other Loan Documents would obligate the Borrowers to make any payment of interest or other amount payable to the Lenders in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lenders of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)) then, notwithstanding such provisions, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lenders of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: (i) first, by reducing the amount or rate of interest required to be paid to the Lenders under this Section 2.13(e), and (ii) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Lenders which would constitute "interest" for purposes of Section 347 of the *Criminal Code* (Canada). Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if the Lenders shall have received an amount in excess of the maximum permitted by that section of the *Criminal Code* (Canada), the Borrowers, as applicable, shall be entitled, by notice in writing to the Agent, to obtain reimbursement from the Lenders in an amount equal to such excess and, pending such reimbursement, such amount shall be deemed to be an amount payable by the Lenders to the Borrowers, as applicable. Any amount or rate of interest referred to in this sub-section shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that the Term Loans remain outstanding on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the *Criminal Code* (Canada)) shall, if they relate to a specific period of time, be pro-rated over that period of time and otherwise be pro-rated over the period from the applicable advance date to the applicable Maturity Date and, in the event of a dispute, a

certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Agent shall be conclusive for the purposes of such determination.

(f) The Borrowers hereby waive, to the fullest extent it may do so under applicable law, any provisions of applicable law, including specifically the *Interest Act* (Canada) and the *Judgment Interest Act* (Alberta), which may be inconsistent with this Agreement. The Borrowers confirm that it fully understands and is able to calculate the rate of interest applicable to all Obligations based on the methodology for calculating per annum rates provided for in this Agreement. The Borrowers hereby irrevocably agree not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to this Agreement or any other Loan Document, that the interest payable under this Agreement or any other Loan Document and the calculation thereof has not been adequately disclosed to the Borrowers as required pursuant to Section 4 of the *Interest Act* (Canada).

(g) For the purposes of the *Interest Act* (Canada):

(i) whenever a rate of interest or other rate per annum hereunder is expressed or calculated on the basis of a year (the “deemed year”) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year; and

(ii) whenever a rate of interest or other rate per annum hereunder is expressed or calculated on the basis of a year of 360 days, such rate of interest or other rate shall be expressed as a rate per annum, calculated on the basis of a 365 or 366 day year, by multiplying such rate of interest or other rate by 365 or 366 and dividing it by 360.

2.14 Illegality.

Notwithstanding any other provision of this Agreement, in the event that it becomes unlawful for any Lender or its Applicable Lending Office to maintain loans bearing interest at a rate determined by the Agent to exceed the Highest Lawful Rate, then the Agent shall charge an interest rate with respect to the Term Loans that will approximate the Applicable Rate or Default Rate, as applicable, that was initially agreed to in this Agreement by the parties hereto as reasonably determined by the Agent such that the interest no longer exceeds the Highest Lawful Rate.

2.15 Regulatory Change.

In the event that by reason of any Regulatory Change or any other circumstance arising after the Closing Date affecting any Lender, such Lender incurs Additional Costs, then, upon the request of such Lender, the Borrowers will pay to such Lender such additional amount or amounts as will compensate such Lender for such Additional Costs incurred, together with interest on such amount from the date of such demand until payment in full thereof at the Applicable Rate.

2.16 Keepwell.

Each Qualified ECP Guarantor hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations in respect of Swap Obligations constituting a portion of the Obligations; provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 2.16 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 2.16, or otherwise hereunder or under any other Loan Document, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not of any greater amount. The obligations of each Qualified ECP Guarantor under this Section 2.16 shall remain in full force and effect until the Obligations are paid and performed in full. Each Qualified ECP Guarantor intends that this Section 2.16 constitute, and this Section 2.16 shall be deemed to constitute, a “keepwell, support or other agreement” for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act. Notwithstanding any other provisions of this Agreement or any other Loan Document, the Obligations owed by any Loan Party or secured by any Lien granted by such Loan Party under any Loan Document shall exclude all Excluded Swap Obligations with respect to such Loan Party.

2.17 Reserve Holdback.

On the Effective Date, and in connection with the Original Agreement, the Agent holds \$350,000 from the original advance of Term Loan 1 (collectively, the “**Reserve Holdback**”) in a non-interest bearing account, on account of the Obligations. During the continuance of an Event of Default, the Agent may disburse all or any portion of the Reserve Holdback and apply such disbursed amounts to the Obligations in such order as the Agent shall determine in its sole discretion. In the event the Agent applies any portion of the Reserve Holdback to the Obligations in accordance with this Section 2.17, the Borrowers shall forthwith pay and reimburse the Agent the amount of any such applied portion and deficiency such that the Reserve Holdback shall at all times maintain a balance of \$350,000.

The Borrowers shall be obligated to maintain the Reserve Holdback until such time as either (i) the Borrowers delivers the Deposit Account Control Agreements in a form and on terms reasonably acceptable to the Agent, or (ii) the Obligations are paid and performed in full. Within three (3) Business Days of the Deposit Account Control Agreements being delivered to the satisfaction of the Agent or the Obligations are paid and performed in full, the Agent shall return and disburse the amount of the Reserve Holdback to the Borrowers. The Agent, in its sole discretion, may apply the Reserve Holdback as a part of any final payment by the Borrowers of all remaining Obligations. The Borrowers acknowledge and agree that no interest shall be payable on the Reserve Holdback.

The Borrowers shall deliver the Deposit Account Control Agreement to the Agent within 45 days of the Closing Date.

ARTICLE III
CONDITIONS AND SECURITY MATTERS

3.1 Closing Date Funding.

The obligations of the Agent and the Lenders to enter into this Agreement are subject to the satisfaction of the following conditions precedent: (a) all matters incident to the consummation of the transactions contemplated herein shall be satisfactory to the Agent and the Lenders; (b) the Agent and the Lenders shall have completed to their satisfaction a due diligence review of the Loan Parties, the Royalty Lands, the SHGPC Power Plant and the Collateral, including without limitation all engineering, operations, land, title, environmental matters, equity interest agreements, cash management systems, operating agreements governing the Royalty Lands (including without limitation all marketing agreements, transportation agreements, and processing agreements), and all Material Contracts and Governmental Authorizations with respect to the SHGPC Power Plant, and shall be satisfied with the results of such review; (c) the Agent shall have received approval from its investment committee; and (d) the Agent shall have received, reviewed and approved the following documents and other items, appropriately executed when necessary and, where applicable, acknowledged by one or more Responsible Officers or other duly authorized representatives of the applicable Loan Party, acting on behalf of the applicable Loan Party, or others as the case may be, all in form and substance reasonably satisfactory to the Agent and dated, where applicable, of even date herewith or a date prior thereto and acceptable to the Agent:

(a) this Agreement;

(b) the Notes; (*held*)

(c) the Security Documents establishing first priority Liens (and upon appropriate filing, perfected first priority Liens) (subject only to the Prior Permitted Liens) in favour or for the benefit of the Agent for the benefit of the Lenders, in and to the Collateral of Razor LP including, without limitation, the Mortgaged Properties, the assignment of the GORR Agreement and the Swan Hills GORR Agreement, as amended, and all assets of Razor LP as to which a security interest against such assets may be created and perfected under the provisions of the PPSA, including a second supplemental fixed and floating charge demand debenture to the fixed and floating charge demand debenture dated February 16, 2021; (*held*)

(d) the Security Documents establishing first priority Liens (and upon appropriate filing, perfected first priority Liens), subject only to the Permitted Liens, in favour of the Agent for the benefit of the Lenders, in the Royalty Lands and the Mortgaged Properties of the Parent Guarantor and all assets of the Parent Guarantor as to which a security interest against such assets may be created and perfected under the provisions of the PPSA, but excluding the Excluded Property, including a second supplemental fixed and floating charge demand debenture to the fixed and floating charge demand debenture dated February 16, 2021, as amended by the first supplemental fixed and floating charge demand debenture to the fixed and floating charge demand debenture dated August 12, 2021;

(e) the Security Documents establishing first priority Liens (and upon appropriate filing, perfected first priority Liens) (subject only to the Prior Permitted Liens) in favour or for the benefit of the Agent for the benefit of the Lenders, in and to the Collateral of SHGPC including, without limitation, all assets of SHGPC as to which a security interest against such assets may be created and perfected under the provisions of the PPSA; (**held**)

(f) the securities pledge agreement from the Parent Guarantor with respect to all of the Equity Interests in Razor LP and the GP, together with (i) such original certificated Equity Interests or other certificates evidencing such Equity Interests, and (ii) stock or other transfer powers duly executed in blank; (**held**)

(g) a Guarantee Agreement from Parent Guarantor to the Agent for the benefit of the Lenders; (**held**)

(h) a limited recourse guarantee agreement from SHGPC Parent to the Agent for the benefit of the Lenders; (**held**)

(i) the securities pledge agreement from SHGPC Parent with respect to all of the Equity Interests in SHGPC, together with (i) such original certificated Equity Interests or other certificates evidencing such Equity Interests, and (ii) stock or other transfer powers duly executed in blank; (**held**)

(j) an organizational chart reflecting the corporate structure of the Loan Parties and SHGPC Parent, post-AIMCo Reorganization Transaction;

(k) copies of the organizational documents of Parent Guarantor, the Borrowers and SHGPC Parent, accompanied by a certificate dated the Closing Date issued by the secretary or an assistant secretary or another authorized representative of Parent Guarantor, the Borrowers and SHGPC Parent to the effect that each such copy is correct and complete; (**waived in respect of SHGPC Parent for this Agreement**)

(l) a certificate of incumbency dated the Closing Date, including specimen signatures of all officers or other representatives of Parent Guarantor, the Borrowers and SHGPC Parent, who are authorized to execute Loan Documents on behalf of Parent Guarantor, the Borrowers and SHGPC Parent, such certificate being executed by the secretary or an assistant secretary or another authorized representative of Parent Guarantor, the Borrowers and SHGPC Parent; (**waived in respect of SHGPC Parent for this Agreement**)

(m) copies of resolutions adopted by the relevant governing body of Parent Guarantor, the Borrowers and SHGPC Parent approving the Loan Documents to which Parent Guarantor, the Borrowers and SHGPC Parent is a party and authorizing the transactions contemplated herein and therein, accompanied by a certificate dated the Closing Date issued by the secretary or an assistant secretary or another authorized representative of Parent Guarantor, the Borrowers and SHGPC Parent, to the effect that such copies are true and correct copies of resolutions duly adopted at a meeting or by unanimous consent and that such resolutions constitute all the resolutions adopted with respect to such transactions, have not been amended, modified or rescinded in any respect and are in full force and effect as of the date of such certificate; (**waived in respect of SHGPC Parent for this Agreement**)

- (n) a copy of the SHGPC Development Plan; (*held*)
- (o) certificates dated as of a recent date from the appropriate Governmental Authority evidencing the existence or qualification and, if applicable, good standing of each Loan Party and SHGPC Parent in its jurisdiction of organization;
- (p) for Parent Guarantor, the Borrowers and SHGPC Parent, results of searches of the Personal Property Security Registration System of the respective province in which such Person is organized and in which such Person owns material assets or conducts material operations, such search reports reflecting no Liens, other than Permitted Liens, against the Parent Guarantor, the Borrowers and SHGPC Parent or any of the Collateral as to which perfection of a Lien is accomplished by the filing of a financing statement;
- (q) confirmation of title of the Oil & Gas Properties included in the Reserve Report and in the Swan Hills GORR Agreement, free and clear of Liens other than Permitted Liens;
- (r) a certificate or certificates evidencing the insurance coverage required by the provisions of Section 5.17;
- (s) the opinion of McCarthy Tétrault LLP, as counsel to the Loan Parties and SHGPC Parent for purposes of the transactions which are the subject of this Agreement, in form and substance reasonably satisfactory to the Agent; (*waived for this Agreement*)
- (t) a certificate of a Responsible Officer of the Loan Parties to the effect that, after giving effect to the transactions which are the subject of this Agreement, all representations and warranties made by the Loan Parties in this Agreement or any other Loan Documents in place on the Closing Date are true and correct, in all material respects, as of the Closing Date;
- (u) pro forma consolidated financial statements and projections of the Loan Parties;
- (v) pro forma Compliance Certificate as of the Closing Date;
- (w) confirmation reasonably acceptable to the Agent that there is no litigation or other action of any nature involving any Loan Party pending before any Governmental Authority or, to the best knowledge of each Loan Party, threatened against or involving such Loan Party, or any other Contingent Obligation which might reasonably be expected to result in Material Adverse Effect on either Borrower, any other Loan Party, or the transactions contemplated by the GORR Agreement and the Swan Hills GORR Agreement, except as set out in Schedule 4.9;
- (x) confirmation reasonably acceptable to the Agent that no event or circumstance shall have occurred which could reasonably be expected to have a Material Adverse Effect or adverse change in loan syndication, financial, banking or capital market conditions;
- (y) payment of estimated fees and expenses of counsel to the Agent and Approved Hedge Counterparty incurred through the Closing Date;

(z) an Environmental Certificate and evidence that the environmental condition of the Oil & Gas Properties is acceptable to the satisfaction of the Agent;

(aa) completion of background and credit checks on the Loan Parties to the satisfaction of the Agent; *(waived for this Agreement)*

(bb) a duly executed copy of the Royalty Purchase Agreement with all exhibits and schedules attached thereto and such other documents satisfactory to Agent evidencing closing under the Royalty Purchase Agreement; *(held)*

(cc) a duly executed copy of the GORR Agreement with all exhibits and schedules attached thereto and such other documents satisfactory to Agent evidencing closing under the GORR Agreement; *(held)*

(dd) a duly executed copy of the Swan Hills Royalty Purchase Agreement with all exhibits and schedules attached thereto and such other documents satisfactory to Agent evidencing closing under the Swan Hills Royalty Purchase Agreement; *(held)*

(ee) a duly executed copy of the Swan Hills GORR Agreement with all exhibits and schedules attached thereto and such other documents satisfactory to Agent evidencing closing under the Swan Hills GORR Agreement; *(held)*

(ff) a duly executed copy of the AIMCo Settlement Documents with all exhibits and schedules attached thereto and such other documents satisfactory to the Agent evidencing closing of the debt settlement and recapitalization transactions in connection therewith;

(gg) subject to Section 5.26, confirmation reasonably acceptable to the Agent that the trailing 30-day average daily production from the Royalty Lands is at least 340 barrel of oil equivalent per day;

(hh) executed Alberta Land Titles Office name search consent, in form and substance satisfactory to the Agent, from the Loan Parties; *(held)*

(ii) a duly executed Fee Agreement;

(jj) copies of all Material Contracts in respect of the SHGPC Power Plant shall have been provided to the Agent; *(held)*

(kk) the Project Budget, the Plans and Specifications and the Construction Schedule, all in form and substance satisfactory to the Lenders, acting reasonably; *(waived for this Agreement)*

(ll) confirmation reasonably acceptable to the Agent that all Governmental Authorizations for the development, construction and operation of the SHGPC Power Plant have been obtained; and *(held)*

(mm) such other agreements, documents, instruments, opinions, certificates, waivers, consents, diligence and evidences as the Agent or any Lender may reasonably request.

3.2 Waiver of Conditions.

The conditions set out in Section 3.1 are inserted for the sole benefit of the Lenders. The conditions set out in Section 3.1 may be waived only by consent of the Lenders, in whole or in part and with or without terms or conditions, without affecting the right of the Lenders to assert such terms and conditions in respect of any other matter contemplated by this Agreement.

3.3 Exclusivity of Remedies.

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

3.4 Form of Security Documents.

The Security Documents and all other agreements, documents and instruments referred to in Section 3.1 will be in such form or forms as will be required by the Agent acting reasonably. Should the Agent, acting reasonably, determine at any time and from time to time that the form and nature of the then existing Security Document is deficient in any way or does not fully provide the Agent and the Lenders with the Liens and priority to which each is entitled hereunder, Parent Guarantor or the Borrowers, as applicable, will forthwith execute and deliver or cause to be executed and delivered to the Agent, at the Borrowers' expense, such amendments to the Security Documents or provide such new security as the Agent may reasonably request.

3.5 After-Acquired Property.

All property acquired by or on behalf of the Loan Parties after the date of execution of the Security Documents which forms part of the property of the Loan Parties (hereinafter collectively referred to as "**After-Acquired Property**"), will be subject to the charges and security interests of the Security Documents, without any further conveyance, mortgage, pledge, charge, assignment or other act on the part of such parties. Without limiting the effect of the preceding sentence, the Loan Parties will from time to time execute and deliver, or cause to be executed and delivered, and the Agent will register, all at the Borrowers' expense, such instruments supplemental to the Security Documents, in form and substance satisfactory to the Agent, acting reasonably, as may be necessary or desirable to ensure that the Security Documents, as amended and supplemented, constitute in favour of the Agent and the Lenders an effective first priority fixed and floating charge or security interest over such After-Acquired Property as required hereunder, subject only to Prior Permitted Liens.

3.6 Undertaking to Grant Additional Fixed Charge Security.

If the Lenders, on reasonable grounds and in good faith, determine that there has been a Material Adverse Effect, or if an Event of Default exists, the Loan Parties, at the request of the Agent, shall forthwith (and in any event not more than five (5) Business Days after the receipt of such request) grant, or cause to be granted, to the Agent for the benefit of the Agent and the Lenders, additional first priority fixed charges to any charges already contained in the Security

Documents (subject only to Prior Permitted Liens) over such of the Loan Parties' property as the Agent, acting reasonably, determines as security for all then present and future Obligations. In this connection, the Loan Parties will:

(a) provide the Agent with such information as is reasonably required by the Agent to identify the additional property to be charged pursuant to this Section 3.6;

(b) do all such things as are reasonably required to grant in favour of the Agent, on behalf of itself, the Lenders a first priority fixed Lien (subject only to Prior Permitted Liens) in respect of such additional property to be so charged pursuant to this Section 3.6;

(c) provide the Agent with all corporate or partnership, as applicable, resolutions and other action, as reasonably required, for the Loan Parties to grant to the Agent, on behalf of itself and the Lenders a first priority fixed Lien (subject only to Prior Permitted Liens) in the property identified by the Agent to be so charged;

(d) provide the Agent with such security instruments, legal opinions and other documents which the Agent, acting reasonably, deems are necessary to give full force and effect to this Section 3.6;

(e) assist the Agent in the registration or recording of such agreements and instruments in such public registry offices in Canada or any province thereof as the Agent, acting reasonably, deems necessary to give full force and effect to this Section 3.6; and

(f) pay all costs and expenses incurred by the Agent in connection with the preparation, execution and registration of all agreements, documents and instruments, including any amendments to the Security Documents, made in connection with this Section 3.6.

3.7 Registration of Security Documents.

The Security Documents will be registered in such offices in Canada or any province thereof as the Agent may from time to time require to protect the Liens created thereby. The Loan Parties will assist the Agent in the registration or recording of such agreements and instruments in such public registry offices in Canada or any province thereof as the Agent, acting reasonably, deems necessary to give full force and effect to this Section 3.7.

3.8 PPSA Waiver.

The Loan Parties hereby waive any requirement for the Agent or any Lender to provide copies of registrations, verification statements, financing statements, financing change statements or similar documents undertaken by the Agent or any Lender pursuant to the PPSA or equivalent legislation in other jurisdictions.

3.9 Acknowledgement of Existing Security.

Each of the Loans Parties hereby acknowledges and agrees that:

(a) all Existing Security previously granted or acknowledged by such Loan Party in favour or for the benefit of the Agent for the benefit of the Lenders, continues to be held by the Agent, for the benefit of the Agent and the Lenders, as continuing collateral security for all of the Obligations; and

(b) all references in the Existing Security to the Original Agreement include this Agreement, as amended, modified, supplemented, restated or replaced from time to time.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

To induce the Agent and the Lenders to enter into this Agreement and to induce the Lenders to make the Term Loans, the Loan Parties represent and warrant to the Agent and each Lender (which representations and warranties shall survive the delivery of the Notes) as follows.

4.1 Due Authorization.

The execution and delivery by the Loan Parties of this Agreement and the borrowing by the Borrowers hereunder, the execution and delivery by the Borrowers of the Notes, the repayment of the Notes, payment of interest and fees provided for in the Notes and this Agreement, the execution and delivery by each Loan Party of the Security Documents to which it is a party and the performance by each Loan Party of its obligations under the Loan Documents to which it is a party are within the power of the relevant Loan Party, have been duly authorized by all necessary action by the relevant Loan Party, and do not and will not (a) require the consent of any Governmental Authority, (b) contravene or conflict with any Requirement of Law, (c) contravene or conflict with any indenture, instrument or other agreement to which the relevant Loan Party is a party or by which any Property of the relevant Loan Party may be presently bound or encumbered or (d) result in or require the creation or imposition of any Lien in, upon or on any Property of the relevant Loan Party under any such indenture, instrument or other agreement, other than under any of the Loan Documents to which it is a party.

4.2 Existence.

Each Loan Party is a corporation, limited liability company or limited partnership, as the case may be, duly organized, legally existing and, if applicable, in good standing under the laws of its jurisdiction of organization and is duly qualified as a foreign corporation, foreign limited partnership, or foreign limited liability company, as the case may be, and, if applicable, is in good standing in all jurisdictions wherein the ownership of Property or the operation of its business necessitates the same, other than those jurisdictions wherein the failure to so qualify would not have a Material Adverse Effect.

4.3 Valid and Binding Obligations.

All Loan Documents to which a Loan Party is a party, when duly executed and delivered by the relevant Loan Party, constitute the legal, valid and binding obligations of the relevant Loan Party enforceable against such Loan Party in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting

creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

4.4 Security Documents.

The provisions of each Security Document executed by the Loan Parties are effective to create, in favour of the Agent, a legal, valid and enforceable Lien in all right, title and interest of the relevant Loan Party in the Property of such Loan Party described therein, which Lien constitutes a first or second priority Lien (as applicable) upon filing with the appropriate government office (except as to Prior Permitted Liens) on all right, title and interest of the Loan Parties in the Collateral of the Loan Parties described therein.

4.5 Title to Property.

Except for the Permitted Liens, each Loan Party has good and defensible title to all of its material Property, free and clear of all encumbrances, preferential rights, whether vested or otherwise, and Liens (except Permitted Liens) related to the Property.

4.6 Scope and Accuracy of Financial Statements.

The pro forma consolidated financial statements and financial projections provided to the Agent in satisfaction of the condition set forth in Section 3.1(u) are based on good faith estimates and assumptions believed by the Loan Parties to be reasonable as of the date of the applicable financial statements or projections. All financial statements of the Loan Parties that have been delivered to Agent or Lenders by the Loan Parties pursuant to Section 5.2 and Section 5.3 are consistent with the books of account and records of the Loan Parties, (b) have been prepared in accordance with GAAP, on a consistent basis throughout the indicated periods, except that the unaudited financial statements contain no footnotes and are subject to year-end adjustments, and (c) present fairly in all material respects the consolidated financial condition, assets and liabilities and results of operations of the Loan Parties at the dates and for the relevant periods indicated in accordance with GAAP on a basis consistently applied, except as otherwise expressly noted therein. No Loan Party has any material obligations or liabilities of any kind required to be disclosed therein that are not disclosed in such audited financial statements, and since the date of the most recent financial statements submitted to Agent or Lenders pursuant to Section 5.2 or Section 5.3, there has not occurred any event or condition that could be reasonably expected to have a Material Adverse Effect.

4.7 No Material Adverse Effect or Default.

No event or circumstance has occurred since the date of the most recent Compliance Certificate delivered by Razor LP to the Agent which could reasonably be expected to have a Material Adverse Effect, and no Default has occurred and is continuing.

4.8 No Material Misstatements.

No information, exhibit, statement or report furnished to the Agent or any Lender by or at the direction of the Loan Parties in connection with this Agreement or any other Loan Document contains any material misstatement of fact or omits to state a material fact or any fact

necessary to make the statements contained therein not misleading as of the date made or deemed made; provided that, with respect to projected financial information, it represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

4.9 No Litigation.

Except as set out in Schedule 4.9, no litigation or other action of any nature involving any Loan Party is pending before any Governmental Authority or, to the best knowledge of each Loan Party, threatened against or involving such Loan Party which might reasonably be expected to result in any impairment of its ownership of any of its Property or have a Material Adverse Effect.

4.10 Authorizations; Consents.

No Governmental Authorization, or other authorization, consent, approval, exemption, franchise, permit or license of, or filing with, any Governmental Authority or any other Person is required to authorize or is otherwise required in connection with the valid execution and delivery by such Loan Party of the Loan Documents to which it is a party or the performance of its obligations thereunder or the performance by such Loan Party of the Obligations.

4.11 Compliance with Laws.

Each Loan Party and its Property are in compliance in all material respects with all applicable Requirements of Law, including Environmental Laws, except as could not be reasonably expected to have a Material Adverse Effect.

4.12 Canadian Pension Plan.

None of the Loan Parties maintain, nor have any of the Loan Parties maintained, any Canadian Pension Plan. None of the Loan Parties currently contribute to or have any obligation to contribute to or otherwise have any liability with respect to any Canadian Pension Plan.

4.13 Environmental Laws.

(a) Except in accordance with applicable Requirements of Law or the terms of a valid permit, license, certificate or approval of the relevant Governmental Authority, no Release of Hazardous Substances by the Loan Parties or from, affecting or related to any Property of the Loan Parties (including, but not limited to, the Royalty Lands) has occurred, except as set out in Schedule 4.13.

(b) No Environmental Complaint has been received by it.

4.14 Compliance with Federal Reserve Regulations.

No transaction contemplated by the Loan Documents is in violation of any regulations promulgated by the Board of Governors of the Federal Reserve System, including Regulations T, U or X.

4.15 Investment Company Act Compliance.

None of the Loan Parties are, nor is any Loan Party directly or indirectly controlled by or acting on behalf of any Person which is, an “investment company” or an “affiliated person” of an “investment company” within the meaning of the *Investment Company Act* of 1940.

4.16 Proper Filing of Tax Returns; Payment of Taxes Due.

Each Loan Party has duly and properly filed its income tax returns or income tax information returns, and all other tax returns which are required to be filed by such Loan Party and has paid all taxes, if any, shown as due from such Loan Party, except where appropriate extensions have been filed or except such as are being contested in good faith and as to which adequate provisions and disclosures have been made or as could not reasonably be expected to have a Material Adverse Effect. The respective charges and reserves on the books of the Loan Parties with respect to Taxes and other governmental charges, if any of such are required by applicable law or GAAP, are adequate, except as could not reasonably be expected to have a Material Adverse Effect.

4.17 Refunds.

There are no orders of, proceedings pending before, or other requirements of any Governmental Authority which could result in the Loan Parties being required to refund any portion of the proceeds received or to be received from the sale of Hydrocarbons constituting part of the Mortgaged Property.

4.18 Pre-Paid Contracts.

No Loan Party is a party to or subject to any “take or pay” arrangement or other prepayment arrangement which would require any Loan Party to deliver Hydrocarbons produced from their Oil & Gas Properties at some future time without then or promptly thereafter receiving full payment for such delivery.

4.19 Intellectual Property.

Each Loan Party owns or is licensed to use all Intellectual Property necessary to conduct all business (financial or otherwise) or operations as such business or operations are currently conducted, except as could not reasonably be expected to have a Material Adverse Effect. No claim has been asserted or is pending by any Person with respect to the use by any Loan Party of any such Intellectual Property or challenging or questioning the validity or effectiveness of any such Intellectual Property; and none of the Loan Parties know of any valid basis for any such claim. The use of such Intellectual Property by the relevant Loan Party does not infringe on the rights of any Person, except as could not be reasonably expected to have a Material Adverse Effect.

4.20 Casualties or Taking of Property.

Since the date of the most recent Compliance Certificate delivered by Razor LP to the Agent, neither the business nor any Property of any Loan Party has been materially and adversely affected as a result of any casualty or taking of Property or cancellation of contracts, permits or concessions by any Governmental Authority.

4.21 Location of Loan Parties.

The principal place of business and chief executive office of each Loan Party is located at the address of such Loan Party set forth in Section 9.3 or at such other location as such Loan Party may have, by proper written notice hereunder, advised the Agent, provided that such other location is within a province in which appropriate financing statements naming such Loan Party as debtor and naming Agent as secured party, have been filed, if required by applicable law.

4.22 Subsidiaries.

Except as set forth on Schedule 4.22, the Loan Parties have no Subsidiaries.

4.23 Compliance with Anti-Terrorism Laws, Anti-Corruption and Anti-Bribery Laws and AML Legislation.

(a) No Loan Party nor any Affiliate of any Loan Party, nor any of their respective directors, officers, employees or, to the best knowledge of each Loan Party, agents or any other person or entity acting on behalf of the Loan Parties, is in violation of any Anti-Terrorism Law, Anti-Corruption and Anti-Bribery Law or AML Legislation or knowingly engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law, Anti-Corruption and Anti-Bribery Law or AML Legislation.

(b) No Loan Party or any Affiliate of any Loan Party is any of the following (each a "**Blocked Person**"):

(i) a Person that is listed in the annex, to, or is otherwise subject to the provisions of, Executive Order No. 13224;

(ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224;

(iii) a Person or entity with which any bank or other financial institution is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a Person or entity that commits, threatens or conspires to commit or supports "terrorism" as defined in Executive Order No. 13224;

(v) a Person or entity that is named as a “specially designated national” on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list; or

(vi) a Person or entity that is a Sanction Designated Person, and no director or officer of any of them is an individual that is currently, or has in the past 5 years been, subject to any Sanctions or is on any Sanctions List; or

(vii) a Person or entity who is affiliated with a Person or entity listed above.

(c) None of the Loan Parties nor any Affiliate of the Loan Parties (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person or (ii) deals in, or otherwise engages in any transaction relating to, any Property or interests in Property blocked pursuant to Executive Order No. 13224.

(d) None of the Loan Parties nor any Affiliate of the Loan Parties are in violation of any rules or regulations promulgated by OFAC or of any economic or trade sanctions administered and enforced by OFAC or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any rules or regulations promulgated by OFAC.

(e) No action, suit or proceeding by or before any court or any arbitrator or any Governmental Authority or body involving the Loan Party or any of its Subsidiaries or their respective directors or officers or, to the best of the knowledge of each Loan Party, the employees, agents, or representatives of each of them, is pending or, to the best of the knowledge of each Loan Party, threatened with respect to Anti-Terrorism Laws, Anti-Corruption and Anti-Bribery Laws or AML Legislation.

(f) None of the Loan Parties nor any Affiliates of the Loan Parties nor their respective directors, officers or, to the best of the knowledge of each Loan Party, employees or agents, has (i) used any corporate funds for any unlawful contribution, gift, entertainment or unlawful expense relating to political activity, or (ii) taken any action in furtherance of an unlawful offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or (anything else of value, directly or indirectly, to any “government official” (including any officer or employee of a government or government owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for public office) or made any other bribe, rebate, payoff, influence payment or kickback intended to improperly influence official action or secure an improper advantage.

4.24 Material Documents.

Neither of the Royalty Purchase Agreement, the GORR Agreement, the Swan Hills Royalty Purchase Agreement, the Swan Hills GORR Agreement nor the AIMCo Settlement Documents has been amended or otherwise modified to the date hereof except as disclosed to the Agent in writing. Except as set out in Schedule 4.9, no litigation or other action of any nature involving the Royalty Lands or the SHGPC Power Plant is pending before any Governmental

Authority and no such litigation or other action is threatened against or involving the Royalty Lands or the SHGPC Power Plant.

4.25 Related Party Transactions.

Except as set out in Schedule 4.25, (i) none of the Loan Parties are party to or bound by any agreement, contract, whether written or oral, or other instrument with any person or entity that is controlled by, whether directly or indirectly, or in common control with or by one or more of the members of such Loan Party, and (ii) none of the Properties owned by the Loan Parties are subject to any agreement that grants an interest in and to such Properties to any person or entity that is controlled by, whether directly or indirectly, or in common control with or by one or more of the members of such Loan Party.

4.26 Governmental Authorizations.

All Governmental Authorizations have been obtained other than those not required or able to be obtained until a later stage of construction or after completion of construction and those not obtained may be reasonably expected to be received in the ordinary course of business prior to the date when required to permit SHGPC to complete the transactions provided for in its Material Contracts and to construct and operate the SHGPC Power Plant.

4.27 Changes to Applicable Law.

To the best of its knowledge as of the date hereof, there are no pending or proposed changes to a Requirement of Law which would render illegal or materially restrict the construction or operation of the SHGPC Power Plant.

ARTICLE V AFFIRMATIVE COVENANTS

So long as any Obligation remains outstanding or unpaid, the Loan Parties shall:

5.1 Maintenance and Access to Records.

Keep adequate records, in accordance with GAAP, of all of their transactions so that at any time, and from time to time, the Loan Parties' true and complete financial condition may be readily determined, and promptly following the reasonable request of the Agent or any Lender, make such records available for inspection by the Agent or any Lender and, at the expense of the Borrowers, allow the Agent or any Lender to make and take away copies thereof.

5.2 Quarterly Unaudited Financial Statements and Compliance Certificates.

Deliver to the Agent, on or before the 60th day after the close of each fiscal quarter, commencing with the quarter ending June 30, 2023, (a) a copy of the Financial Statements as of the close of the relevant fiscal quarter and from the first day of the then current fiscal year to the end of the relevant fiscal quarter, such Financial Statements to be certified by the Financial Officer of the Loan Parties as having been prepared by the Loan Parties in accordance with GAAP consistently applied and as a fair presentation of the financial condition of the Loan Parties, on a

consolidated basis, subject to changes resulting from normal year-end audit adjustments, (b) a Compliance Certificate prepared, as to section 2 thereof, as of the close of the relevant fiscal quarter or quarterly period or year-to-date period, as applicable, and to include the then current LLR of the Parent Guarantor (and any other Loan Party that may from time to time become a licensee), and (c) a reconciliation, setting forth in reasonable detail, and in form satisfactory to the Agent, the variance between the actual financial performance relative to the projections in the Development Plans, including, without limitation, a reconciliation between the actual and projected cash receipts and disbursements and a written summary of the causes for any material variations for the relevant fiscal quarter and from the first day of the then current fiscal year to the end of the relevant fiscal quarter.

5.3 Annual Audited Financial Statements, Compliance Certificate and Environmental Certificate.

Deliver to the Agent, on or before the 120th day after the close of each fiscal year of the Loan Parties, commencing with that ending on December 31, 2023, (a) a copy of the audited Financial Statements as at the close of such fiscal year and for the fiscal year then ended, audited by a full service accounting firm of regional or national reputation having a dedicated oil and gas audit practice, (b) a Compliance Certificate prepared, as to section 2 thereof, as of the close of the end of the relevant fiscal year, and (c) an Environmental Certificate prepared, as of the close of the end of the relevant fiscal year.

5.4 Reserve Reports; LOE Reports; Production Reports; Payables Aging; Additional Development Plans; Financial Projections; Monthly Compliance Certificate and LLR.

(a) Deliver to the Agent, no later than each March 31st during the term of this Agreement, a Reserve Report, in form satisfactory to the Agent, acting reasonably, prepared as of the preceding December 31st, and certified by the reservoir engineering firm approved in writing by the Agent preparing the relevant Reserve Report as fairly and accurately setting forth (i) the PDP, PUD, shut-in, behind-pipe and undeveloped Reserves (separately classified as such) attributable to the Oil & Gas Properties of the Loan Parties, (ii) the aggregate PV-10 value of the future net income with respect to PDP Reserves attributable to the Oil & Gas Properties of the Loan Parties, (iii) projections of the annual rate of production, gross income and net income with respect to such PDP Reserves, (iv) information with respect to the “take-or-pay,” “prepayment” and gas-balancing liabilities of the Loan Parties with respect to such PDP Reserves and (v) general economic assumptions.

(b) Deliver to the Agent, no later than December 31st of each year, financial projections for the Loan Parties, on a consolidated basis, as at the close of each month of the subsequent fiscal year, which financial projections shall be presented in the form of Financial Statements.

(c) Deliver to the Agent, in connection with any proposed well reactivation expenditures pursuant to the Razor Development Plan, such supporting information as may be requested by Agent related to the proposed expenditures.

(d) Deliver to the Agent, no later than December 31st of each year, revised Development Plans, in form reasonably acceptable to the Agent, setting forth proposed activities with respect to the Oil & Gas Properties of the Loan Parties and the SHGPC Power Plant during the subsequent fiscal year.

(e) Deliver to the Agent, no later than the 30th day following the end of each fiscal month:

(i) a report in comparative form to the Razor Development Plan, in form reasonably satisfactory to the Agent, setting forth information as to quantities of production from the Royalty Lands, volumes of production sold, volumes of production committed to Commodity Hedge Agreements, pricing, purchasers of production, gross revenues, lease operating expenses, EBITDA and such other information as the Agent or any Lender may request with respect to the relevant monthly period;

(ii) a report in comparative form to the SHGPC Development Plan, in form reasonably satisfactory to the Agent, setting forth gross revenues, EBITDA and such other information as the Agent or any Lender may request with respect to the relevant monthly period; and

(iii) the monthly LLR report of the Parent Guarantor (and any other Loan Party that may from time to time become a licensee) published by the AER on <https://www.aer.ca/regulatingdevelopment/project-closure/liability-management-programs-and-processes/liabilitymanagement-rating-and-reporting>. The Loan Parties further covenant and agree to provide to the Agent, and/or cause the Agent to obtain, access at any time to such monthly LLR report(s) on such website.

(f) Deliver to the Agent:

(i) no later than the 45th day following the end of each fiscal month, a Compliance Certificate prepared, as to section 2 thereof, as of the close of the end of the relevant fiscal month; and

(ii) no later than the 45th day following the end of each fiscal month, unaudited monthly financial statements of SHGPC Parent and SHGPC, as of the close of the end of the relevant fiscal month;

(g) Deliver to the Agent, on a written request from the Agent to the Borrowers, or either of them, an aging of the accounts payable of the Loan Parties, on a consolidated basis.

(h) Deliver to the Agent, as soon as practicable and in any event within four (4) Business Days after the end of each calendar week of each fiscal year, a report in form and substance satisfactory to the Agent, acting reasonably, with respect to the volume of production from the Oil & Gas Properties of the Parent Guarantor and Razor LP. Such report may contain approximations and estimates which may not reflect actual production and sales numbers when determined.

5.5 Title; Title Defects; Mortgaged Properties.

(a) Within thirty (30) days after request of the Agent, furnish to the Agent confirmation of title reasonably acceptable to the Agent, covering Oil & Gas Properties of the relevant Loan Parties (to the extent not delivered on the Closing Date).

(b) Promptly, but in any event within 30 days after notice by the Agent of any title defect having a Material Adverse Effect, clear such title defect.

5.6 Notices of Certain Events.

Deliver to the Agent, immediately upon having knowledge of the occurrence of any of the following events or circumstances, a written statement with respect thereto, signed by a Responsible Officer of either of the Borrowers, and setting forth the relevant event or circumstance and the steps being taken by the Borrowers with respect to such event or circumstance:

(a) any Default or Event of Default;

(b) any default or event of default under any contractual obligation of any Loan Party, or any litigation, investigation or proceeding between any Loan Party and any Governmental Authority which, in either case, if not cured or if adversely determined, as the case may be, would reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding involving any Loan Party as a defendant or in which any Property of any Loan Party is subject to a claim and in which the amount involved is \$100,000 or more and which is not covered by insurance or in which injunctive or similar relief is sought, together with any material developments or steps taken in connection with the CNRL Action;

(d) the receipt by the Loan Parties of any Environmental Complaint, which if adversely determined would reasonably be expected to have a Material Adverse Effect;

(e) any actual, proposed or threatened testing or other investigation by any Governmental Authority or other Person concerning the environmental condition of, or relating to, any Property of the Loan Parties following any allegation of a violation of any Requirement of Law;

(f) any Release of Hazardous Substances by the Loan Parties or from, affecting or related to any Property of the Loan Parties or Property of others adjacent to Property of the Loan Parties which would reasonably be expected to have a Material Adverse Effect, except in accordance with applicable Requirements of Law or the terms of a valid permit, license, certificate or approval of the relevant Governmental Authority, or the violation of any Environmental Law, or the revocation, suspension or forfeiture of or failure to renew, any permit, license, registration, approval or authorization which could reasonably be expected to have a Material Adverse Effect;

(g) the receipt by the Loan Parties of any Abandonment/Reclamation Order or other material notices related to any directives, rules, regulations or other orders issued by any applicable Energy Regulator in respect of or otherwise affecting any of the Oil & Gas Properties

or related facilities or assets of the Loan Parties, or any of them, together with a calculation of the estimate of expenditures required in order to comply with such Abandonment/Reclamation Order;

(h) any change in Razor Management;

(i) the receipt by the Loan Parties from any Governmental Authority of any written notice stating that any Loan Party is non-compliant with any Requirement of Law or if any Governmental Authority related to its properties or assets are suspended or revoked;

(j) any circumstance of which it has notice or is aware which could result in a material breach of or default or non-performance by any party under a Material Contract or with respect to any Governmental Authorization held by any Loan Party or required by any Loan Party in the operation of its business; and

(k) any other event or condition which could reasonably be expected to have a Material Adverse Effect.

5.7 Tax Returns

Furnish to the Agent, promptly upon, but in no event more than thirty (30) days after, each filing of an annual income tax return of each of the Borrowers with the Canada Revenue Agency, a copy thereof.

5.8 Additional Information.

Furnish to the Agent, promptly upon the request of the Agent, such additional financial or other information concerning the assets, liabilities, operations and transactions of the Loan Parties as the Agent may from time to time reasonably request; and notify the Agent not less than ten (10) Business Days prior to the occurrence of any condition or event that may change the proper location for the filing of any financing statement or other public notice or recording for the purpose of perfecting a Lien in any Collateral, including any change in its name or the location of the jurisdiction of organization, principal place of business or chief executive office of the relevant Loan Party; and upon the request of the Agent, the relevant Loan Party shall execute such additional Security Documents as may be necessary or appropriate in connection therewith.

5.9 Compliance with Laws.

Comply, in all material respects, with all applicable Requirements of Law, including (a) Environmental Laws, (b) Anti-Terrorism Laws and Anti-Corruption and Anti-Bribery Laws, (c) Canadian Employee Benefits Legislation, (d) AML Legislation and (e) all permits, licenses, registrations, approvals and authorizations (i) related to any natural or environmental resource or media located on, above, within, related to or affected by any Property of the Loan Parties, (ii) required for the performance of the operations of the Loan Parties, or (iii) applicable to the use, generation, handling, storage, treatment, transport, or disposal of any Hazardous Substances, except in each case as could not be reasonably expected to have a Material Adverse Effect; and use its best efforts to cause all employees, agents, contractors, subcontractors and future lessees (pursuant to appropriate lease provisions) of the Loan Parties, while such Persons are acting within the scope of their relationship with the relevant Loan Party, to comply

with all such Requirements of Law as may be necessary or appropriate to enable the relevant Loan Party to so comply.

5.10 Payment of Assessments and Charges.

Pay all Taxes, assessments, governmental charges, rent and other Indebtedness which, if unpaid, might become a Lien against any Property of any Loan Party, except any of the foregoing being contested in good faith and as to which an adequate reserve in accordance with GAAP has been established.

5.11 Maintenance of Existence or Qualification and Good Standing.

Maintain its corporate, limited liability company or limited partnership, as the case may be, existence or qualification and, if applicable, good standing in its jurisdiction of organization and in all jurisdictions wherein any material Property now owned or hereafter acquired or business now or hereafter conducted by it necessitates same.

5.12 Payment of Notes; Performance of Obligations.

Do and perform every act and discharge all of the other Obligations. The Borrowers shall pay the Notes, as applicable, according to the reading, tenor and effect thereof.

5.13 Further Assurances; Post-Closing Obligations.

Promptly upon reasonable written request of the Agent, cure any defects in the execution and delivery of any of the Loan Documents to which the relevant Loan Party is a party, and execute, acknowledge and deliver to the Agent such other assurances and instruments as shall, in the reasonable opinion of the Agent, be necessary to fulfill the terms of the Loan Documents to which the relevant Loan Party is a party. Any failure by the Loan Parties to timely perform and comply with any of the covenants and requirements as set forth in this Section 5.13 (as determined by Agent, in its sole but reasonable discretion) shall constitute an Event of Default under Section 7.1(c) of the Credit Agreement.

5.14 Initial Expenses of Agent.

Upon written request by the Agent, the Borrowers shall promptly reimburse the Agent for all reasonable fees and expenses of the Agent's advisors in connection with the preparation of this Agreement and all documentation contemplated hereby, the satisfaction of the conditions precedent set forth herein, the filing and recordation of Security Documents, and the consummation of the transactions contemplated in this Agreement.

5.15 Subsequent Expenses of Agent and Lenders.

(a) Subject to the other provisions of this Agreement, the Borrowers shall promptly reimburse:

(i) all out-of-pocket amounts reasonably expended, advanced or incurred by or on behalf of the Agent (i) to satisfy any obligation of the Loan Parties under any of

the Loan Documents; (ii) to administer the Loan Documents or to ratify, amend, restate or prepare additional Loan Documents, as the case may be; (iii) in connection with the filing and recordation of Security Documents; and which amounts shall include all reasonable attorney's fees, together with interest at the Applicable Rate on each such amount from the date of notification by the Agent that the same was expended, advanced or incurred by the Agent until the date it is repaid to the Agent; (iv) in connection with certain back office and administrative services related to the Term Loans provided by any third party loan servicer as Agent may select from time to time; (v) in connection with all valuation services related to the Term Loans; and (vi) associated with rating agency services, risk mitigation providers and insurance, provided, however, neither of the fees and expenses in connection with (a)(v) or, separately, (a)(vi), shall exceed \$40,000 per fiscal year; and

(ii) following the occurrence of an Event of Default, promptly reimburse all out-of-pocket costs and expenses, if any, of the Agent or any of the Lenders (i) to enforce their respective rights under any of the Loan Documents; (ii) to collect the Obligations and (iii) to protect the Properties or business of the Loan Parties, which amounts shall be deemed compensatory in nature and liquidated as to amount upon notice to the Borrowers by the Agent and which costs and expenses shall include (A) all court costs, (B) reasonable attorneys' fees, (C) reasonable fees and expenses of auditors and accountants and other professionals incurred to protect the interests of the Agent or the Lenders, (D) fees and expenses incurred in connection with the participation by the Agent and the Lenders as members of the creditors' committee in any Insolvency Proceeding, and (E) fees and expenses incurred in connection with any Insolvency Proceeding, all reasonably incurred by the Agent and the Lenders in connection with the collection of any sums due under the Loan Documents, together with interest at the Applicable Rate on each such amount from the date of notification that the same was expended, advanced or incurred by the Agent or any Lender until the date it is repaid to the Agent or such Lender, with the obligations under this Section 5.15 surviving the non-assumption of this Agreement in any Insolvency Proceeding and being binding upon the Loan Parties and/or a trustee, receiver, custodian or liquidator of the Loan Parties appointed in any such case.

(b) Notwithstanding any provision to the contrary herein, the Loan Parties agree that, upon five (5) Business Days' notice, the Agent may debit the Loan Parties' account or accounts that are subject to exclusive control by the Agent or any account or accounts maintained by the Agent into which Term Loan proceeds have been funded for any amounts payable pursuant to this Section 5.15.

5.16 Maintenance and Inspection of Properties.

Maintain or, to the extent that the right or obligation to do so rests with another Person, exercise commercially reasonable efforts to cause such other Person to maintain all of the tangible Properties of the Loan Parties in good repair and condition, ordinary wear and tear excepted; make or, to the extent that the right or obligation to do so rests with another Person, exercise commercially reasonable efforts to cause such other Person to make all necessary replacements thereof and operate such Properties in a good and workmanlike manner; and permit any authorized representative of the Agent, upon prior notice to the Borrowers, or either of them, to visit and inspect, at reasonable times during normal business hours, any tangible Property of the

Loan Parties; provided, however, that Agent may visit and inspect such tangible Property of any Loan Party at any time without prior notice during the continuance of an Event of Default.

5.17 Maintenance of Insurance.

Maintain or cause to be maintained insurance with respect to its Properties and businesses against such liabilities, casualties, risks and contingencies as is customary in the relevant industry and sufficient to prevent a Material Adverse Effect, all such insurance to be in amounts and from insurers reasonably acceptable to the Agent and name the Agent as an additional insured and loss payee.

5.18 Environmental Indemnification.

The Borrowers shall indemnify and hold the Agent and each of the Lenders and their respective shareholders, officers, directors, employees, agents, advisors, attorneys-in-fact and Affiliates and each trustee for the benefit of the Agent or the Lenders under any Security Document (each of the foregoing an “**Indemnitee**”) harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial actions, requirements and enforcement actions of any kind, and all reasonable costs and expenses incurred in connection therewith (including attorneys’ fees and expenses), arising directly or indirectly, in whole or in part, from (a) the presence of any Hazardous Substances on, under, or from any Property of the Loan Parties, whether prior to or during the term hereof, (b) any activity carried on or undertaken on any Property of the Loan Parties, whether prior to or during the term hereof, and whether by any of the Loan Parties or any of the predecessors in title, employees, agents, contractors or subcontractors of or any other Person at any time occupying or present on such Property, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transportation or disposal of any Hazardous Substances at any time located or present on or under such Property, (c) any residual contamination on or under any Property of the Loan Parties, (d) any contamination of any Property or natural resources arising in connection with the generation, use, handling, storage, transportation or disposal of any Hazardous Substances by any of the Loan Parties or any employees, agents, contractors or subcontractors of any of the Loan Parties while such Persons are acting within the scope of their relationship with the relevant Loan Party, irrespective of whether any of such activities were or will be undertaken in accordance with applicable Requirements of Law, provided that such indemnity shall not extend to (i) any act or omission by the Agent or any Lender with respect to any Property subsequent to the Agent or any Lender becoming the owner of such Property and with respect to which Property such claim, loss, damage, liability, fine, penalty, charge, proceeding, order, judgment, action or requirement arises subsequent to the acquisition of title thereto by the Agent or any Lender or (ii) any claim, loss, damage, liability, fine, penalty, charge, proceeding, order, judgment, action or requirement arising from, caused by or otherwise related to any gross negligence or wilful misconduct of the Agent or any Lender. All amounts due under this Section 5.18 shall be payable on written demand therefor by the Agent.

5.19 General Indemnification.

The Borrowers shall indemnify and hold each Indemnitee harmless from and against any and all losses, claims, damages, liabilities and related expenses, including reasonable

counsel fees and expenses, incurred by or asserted against any Indemnitee arising out of, in any way connected with or as a result of (i) the preparation, execution, delivery, administration and enforcement of this Agreement and the other Loan Documents, the performance by the parties hereto and thereto of their respective obligations hereunder and thereunder and consummation of the transactions contemplated hereby and thereby, (ii) the use of proceeds of the Term Loans, or (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto; provided that such indemnity shall not extend to any such loss, claim, damage, liability or expense arising from the gross negligence or wilful misconduct, whether sole or concurrent, of any Indemnitee; with the foregoing indemnity surviving satisfaction of all Obligations and the termination of this Agreement. For the avoidance of doubt, this Section 5.19 includes the reasonable fees, disbursements and other charges of a single lead counsel for, and local counsel as may be required by, the Agent and the Lenders. All amounts due under this Section 5.19 shall be payable on written demand therefor.

5.20 Compliance with Anti-Terrorism Laws, Anti-Corruption and Anti-Bribery Laws and AML Legislation.

Institute and maintain, and cause each of its Subsidiaries to institute and maintain, policies and procedures designed to promote and ensure compliance with Anti-Terrorism Laws, Anti-Corruption and Anti-Bribery Laws and AML Legislation in all jurisdiction where each operate. The Loan Parties shall deliver to the Agent any certification or other evidence requested from time to time by the Agent, in its reasonable discretion, confirming compliance by the Loan Parties with the provisions of any or all applicable Anti-Terrorism Laws, Anti-Corruption and Anti-Bribery Laws and AML Legislation.

5.21 Board and Management Meetings.

Each of the Borrowers shall hold a meeting of the governing body of such Borrower at least annually and, in connection with each such meeting or any proposed action without a meeting, as the case may be, (i) provide to the Agent reasonable advance notice of the meeting or reasonable advance notice of any proposed action without a meeting, (ii) provide to the Agent, reasonably in advance of the meeting or proposed action without a meeting, copies of all written materials provided to the directors, and (iii) so long as the Loan Balance exceeds \$1,000,000, allow the Agent Observer to attend the meeting as a non-voting observer. Any of the meetings held pursuant to this Section 5.21 may be held telephonically. If necessary, the Borrowers shall cause any required amendments to its organizational documents to effect and permit the provisions of this Section 5.21. Notwithstanding the foregoing, the Borrowers shall be entitled to (x) exclude the Agent Observer from any portion of any meeting or telephone call (i) when the governing body discusses any matters relating to this Agreement, the other Loan Documents, or the Loan Parties' relationship with the Agent or the Lenders, or (ii) if and to the extent the applicable Borrower reasonably believes that the Agent Observer's presence at or participation in such meeting or telephone conference (or any portion thereof) may create a conflict of interest for the Agent Observer or affect the attorney/client or a similar privilege of the Loan Parties and their legal advisors, and (y) withhold from the Agent Observer information delivered to the governing body prior to any such meeting to the extent such information relates to any of the foregoing. The Borrowers will reimburse the Agent Observer for all reasonable and documented costs and

expenses incurred in connection with its participation in any meetings pursuant to this Section 5.21 not to exceed \$5,000 annually.

5.22 Material Contracts.

Comply in all material respects with Material Contracts.

5.23 Control Account.

Razor LP shall (a) remit all payments received by it pursuant to the GORR Agreement and the Swan Hills GORR Agreement to their Control Account, and if there is no Control Account, to the Razor Specified Account; and (b) direct the Parent Guarantor to remit all payments due to Razor LP pursuant to the GORR Agreement and the Swan Hills GORR Agreement to its Control Account, and if there is no Control Account, to the Razor Specified Account.

5.24 Additional Collateral; Other Deliveries.

At the request of the Agent acting reasonably, deliver to the Agent such additional Security Documents covering the Collateral in favour or for the benefit of the Agent for the benefit of the Lenders or such other deliveries as the Agent shall reasonably request.

5.25 Environmental Audit.

If the Agent, acting reasonably, determines after the occurrence of any Material Adverse Effect that any Loan Party's obligations or other liabilities in respect of matters dealing with the protection or contamination of the Oil & Gas Properties, the SHGPC Power Plant or the maintenance of health and safety standards would individually or in the aggregate reasonably be expected to have a Material Adverse Effect, then, at the request of the Agent, assist the Agent in conducting an environmental audit of the property which is the subject matter of such obligations or liabilities, by an independent consultant selected by the Agent. The cost of such audit will be for the account of the Borrowers, provided that the Agent will carry out such audit in consultation with the Loan Parties to expedite its completion in a cost effective manner. If such audit indicates that any Loan Party is in breach, or with the passage of time is likely to be in breach, of any Environmental Laws and such breach or potential breach individually or in the aggregate would have, in the opinion of the Agent, acting reasonably, a Material Adverse Effect, and without in any way prejudicing or suspending any of the rights and remedies of the Agent and the Lenders under the Loan Documents, the Loan Parties will forthwith commence and diligently proceed to rectify or cause to be rectified such breach or potential breach, as the case may be, and will keep the Agent fully advised of the actions they intend to take and have taken to rectify such breach or potential breach and the progress they are making in rectifying same. The Agent and the Lenders will be permitted to retain, for the account of the Borrowers, the services of a consultant to monitor the Loan Parties' compliance with this Section 5.25.

5.26 Minimum Production.

Subject to the Consent and Waiver, commencing in the calendar month of May, 2023, and for each calendar month thereafter, maintain monthly net sales volume of Hydrocarbons

from its Oil & Gas Properties of at least the amount set forth in Schedule 5.26 for the applicable calendar month noted thereon, provided, however, that the amount of monthly production shall be adjusted rateably by the Agent to the extent that a Force Majeure Event affected production for any monthly period. For the avoidance of doubt, every six (6) mcf of natural gas sold shall be converted into one (1) barrel of oil equivalent for purposes of calculating the net sales volume of Hydrocarbons sold during each calendar month.

5.27 Specific Use of Proceeds.

None of the Loan Parties nor any Affiliate of the Loan Parties, nor their respective directors, officers, employees or agents shall use the proceeds of the Term Loans, or any of it, for any unlawful contribution, gift, entertainment or unlawful expense relating to political activity or in furtherance of any unlawful payment or violation of Anti-Terrorism Laws, Anti-Corruption and Anti-Bribery Laws and AML Legislation.

5.28 Management and Control of the SHGPC Power Plant.

(a) Diligently and continuously proceed with and manage the construction of the SHGPC Power Plant in all material respects in accordance with: (i) prudent industry practice; (ii) all required Governmental Authorizations; (iii) the Project Budget, as approved by the Agent; (iv) the Plans and Specifications, as approved by the Agent; and (vi) the Construction Schedule, as approved by the Agent.

(b) Promptly notify the Agent of any event or circumstance which could reasonably be expected to adversely affect completion of the construction of the SHGPC Power Plant in accordance with the Project Budget and Project Schedule.

5.29 SHGPC Power Plant Consultant.

Permit the Agent, at any time during the term of this Agreement, to appoint: (i) one independent insurance consultant to assist the Agent and the Lenders with reviewing and approving the insurance policies maintained by SHGPC for the SHGPC Power Plant and to perform such additional functions as the Agent shall reasonably request, and (ii) upon commercial operation of the SHGPC Power Plant, one independent consultant to assist the Agent and the Lenders to confirm that the SHGPC Power Plant has been constructed in accordance with prudent industry practice, Requirements of Law, the Project Budget, the Plans and Specifications, the applicable Material Contracts and the Governmental Authorizations and to perform such additional functions as the Agent shall reasonably request, provided that as long as no Default or Event of Default has occurred and is continuing: (x) such consultants shall be approved by the Borrowers in advance, which approval shall not be unreasonably withheld, and (y) the Borrowers shall only be required to reimburse the Agent for the reasonable and documented expenses incurred by the independent consultant appointed in accordance with clause (ii) above in connection with not more than two (2) in-person site visits per year.

ARTICLE VI
NEGATIVE COVENANTS

So long as any Obligation remains outstanding or unpaid, none of the Loan Parties will:

6.1 Indebtedness.

Create, incur, assume or suffer to exist any Indebtedness, whether by way of loan or otherwise; provided, however, the foregoing restriction shall not apply to (a) the Obligations, (b) Indebtedness of any Loan Party at any time owing by the relevant Loan Party under any of the Minimum Required Commodity Hedge Agreements or other Commodity Hedge Agreement with Approved Hedge Counterparties and approved by the Agent, (c) Indebtedness associated with Permitted Liens (other than paragraph (m) of the definition thereof), (d) unsecured Indebtedness between the Parent Guarantor and Razor LP, and (e) Indebtedness in connection with credit card and cash management services, provided that the terms and conditions of such Indebtedness have been approved by the Agent prior to its creation or incurrence.

6.2 Contingent Obligations.

Create, incur, assume or suffer to exist any Contingent Obligation; provided, however, the foregoing restriction shall not apply to (a) performance guarantees, performance surety or other bonds or endorsements of items deposited for collection, in each case provided in the ordinary course of business or (b) trade credit incurred or operating leases entered into in the ordinary course of business.

6.3 Liens.

Create, incur, assume or suffer to exist any Lien on any of its Property, whether now owned or hereafter acquired; provided, however, the foregoing restriction shall not apply to Permitted Liens.

6.4 Transfer of Assets.

Sell, convey, assign, lease, transfer or otherwise dispose of, any of its Property, whether now owned or hereafter acquired, or enter into any agreement to do so; provided, however, the foregoing restriction shall not apply to (a) the sale of Hydrocarbons or inventory in the ordinary course of business, provided that no contract for the sale of Hydrocarbons shall obligate any Loan Party to deliver Hydrocarbons produced from any of its Oil & Gas Properties at some future date without receiving full payment therefor within sixty (60) days of delivery, (b) the sale or other disposition of Property destroyed, lost, worn out, damaged or having only salvage value or no longer used or useful in the business in which it is used and not exceeding \$200,000 in the aggregate, for Loan Parties on a consolidated basis, during any calendar year, (c) sales or other dispositions of Property not constituting Collateral and not exceeding \$100,000 in the aggregate, for the Loan Parties on a consolidated basis, during any calendar year, or (d) sales or other dispositions of Property, the proceeds of which are used to pay the Obligations in full in cash.

6.5 Leasebacks.

Enter into any agreement to sell or transfer any Property and thereafter rent or lease as lessee such Property or other Property intended for the same use or purpose as the Property sold or transferred.

6.6 Loans or Advances.

Make or agree to make or allow to remain outstanding any loans or advances to any Person; provided, however, the foregoing restriction shall not apply to (a) advances or extensions of credit in the form of accounts receivable incurred in the ordinary course of business and on terms customary in the relevant industry, (b) loans or advances by any Loan Party to any other Loan Party or (c) other loans or advances (including loans or advances to officers or managers of any such Loan Parties) not exceeding \$100,000 in the aggregate for the Loan Parties on a consolidated basis, at any time outstanding.

6.7 Investments.

Other than new Investments not to exceed an aggregate of \$100,000 in any fiscal year, make or acquire Investments in, or purchase or otherwise acquire any assets of, any Person (other than in the ordinary course of business and incidental to current operations); provided, however, the foregoing restriction shall not apply to (a) the purchase or acquisition of Oil & Gas Properties, pipelines and gathering systems or other Property related thereto or related to farm-out, farm-in, joint operating, joint venture or area of mutual interest agreements or other similar arrangements which are usual and customary in the oil and gas exploration and production business located within the geographic boundaries of boundaries of the Province of Alberta, provided that the Agent must consent in writing prior to any purchase or acquisition or other transaction under this Section 6.7(a) and provided, further, that any such acquisition will be subject to receipt of such diligence items and Security Documents as the Agent may require, acting reasonably, (b) Investments in the form of (i) debt securities issued or directly and fully guaranteed or insured by the Government of Canada or any agency or instrumentality thereof, with maturities of no more than one year, (ii) commercial paper of a domestic issuer rated at the date of acquisition at least P-2 by Moody's Investor Service, Inc. or A-2 by Standard & Poor's Corporation and with maturities of no more than one year from the date of acquisition, (iii) repurchase agreements covering debt securities or commercial paper of the type permitted in this Section 6.7, or (iv) certificates of deposit, demand deposits, Eurodollar time deposits, overnight bank deposits and bankers' acceptances, with maturities of no more than one year from the date of acquisition, issued by or acquired from or through any Lender or any bank or trust company organized under the laws of Canada or any province thereof and having capital surplus and undivided profits aggregating at least \$100,000,000, (c) other short-term Investments similar in nature and degree of risk to those described in clause (b) of this proviso to this Section 6.7, (d) Investments in money-market funds sponsored or administered by Persons acceptable to the Agent and which funds invest in short-term Investments similar in nature and degree of risk to those described in clause (b) of this proviso to this Section 6.7, or (e) evidences of loans or advances not prohibited by the provisions of Section 6.6.

6.8 Dividends and Distributions.

In respect of each Loan Party and will not cause or permit the SHGPC Parent to, without the prior written consent of the Agent, declare, pay or make, whether in cash or Property of the relevant Loan Party or the SHGPC Parent, any dividend or distribution on, or purchase, redeem or otherwise acquire for value, any of its Equity Interests other than dividends and distributions paid (a) in additional shares of Equity Interests, so long as such additional shares of

Equity Interests do not have any redemption rights or cash payments, or (b) pursuant to and in accordance with stock option plans or other benefit plans for management, employees or consultants of the relevant Loan Party, so long as such additional shares of Equity Interests do not have any redemption rights or cash payments.

6.9 Issuance of Equity; Changes in Corporate Structure.

Except in connection with the AIMCo Reorganization Transaction, issue or agree to issue any Equity Interests other than common Equity Interests; enter into any transaction of consolidation, merger or amalgamation; or liquidate, wind-up or dissolve (or suffer any liquidation or dissolution).

6.10 Transactions with Affiliates and Certain Other Person.

Directly or indirectly, enter into any transaction (including the sale, lease or exchange of Property or the rendering of service) with any of its Affiliates or with any Person directly or indirectly related to any Loan Party or any manager or officer of such Loan Party (other than transactions entered into in the normal course of business between a Loan Party and any other Loan Party not otherwise prohibited hereunder), other than: (a) upon fair and reasonable terms no less favourable than could be obtained in an arm's length transaction with a Person which was not an Affiliate, (b) upon terms approved by the Agent in writing, or (c) as set out in Schedule 4.25. This Section 6.10 shall not apply to loans or advances to Affiliates or managers or officers of any Loan Party, for which separate provision is made in Section 6.6.

6.11 Lines of Business; Borrower Company Covenant.

Engage in any line of business other than those in which such Loan Party is engaged as of the Closing Date. Without limiting the generality of the foregoing, Razor LP shall not engage in any business other than the ownership of the Mortgaged Properties and activities incidental thereto.

6.12 Canadian Pension Plan Obligation.

Assume or otherwise become subject to an obligation to contribute to or maintain any Canadian Pension Plan or acquire any Person which has at any time had an obligation to contribute to or maintain any Canadian Pension Plan.

6.13 Anti-Terrorism Laws.

Conduct any business or engage in any transaction or dealing with any Blocked Person, including the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person; deal in, or otherwise engage in any transaction relating to, any Property or interests in Property blocked pursuant to Executive Order No. 13224; engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate (i) any of the prohibitions set forth in Executive Order No. 13224, the USA Patriot Act or *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or (ii) any prohibitions set forth in the rules or regulations issued by OFAC or any

sanctions against targeted foreign countries, terrorism sponsoring organizations and international narcotics traffickers based on United States of America foreign policy.

6.14 Amendment of Material Contracts and Development Plan.

(a) Amend, supplement, restate or otherwise modify any Material Contract to which any Loan Party is a party to the extent such amendment, supplement, restatement or modification could reasonably be expected to have a Material Adverse Effect.

(b) Amend the Royalty Purchase Agreement, the GORR Agreement, the SHGPC Royalty Purchase Agreement or the SHGPC GORR Agreement without prior written consent from the Agent acting reasonably in each instance.

(c) Amend the FutEra USA in any manner that would reasonably be expected to cause a Material Adverse Effect.

(d) Amend any portion of the Development Plans without the prior written consent of the Agent acting reasonably.

6.15 Hedge Agreements and Provisions of Commodity Hedge Agreements.

Enter into or maintain in effect any Hedge Agreement other than Commodity Hedge Agreements between any Loan Party and one or more Approved Hedge Counterparties with the following requirements:

(a) a term which does not exceed twenty (20) months;

(b) the aggregate amount of Hydrocarbon volume subject to all Commodity Hedge Agreements of the Loan Parties do not exceed, on a rolling monthly basis (determined, in the case of contracts that are not settled on a monthly basis, by a monthly proration acceptable to the Agent, in its sole discretion), 11,000 barrels of crude oil per month of the reasonably anticipated projected production from proved, developed, producing Oil & Gas Properties, evaluated in the most recently delivered Reserve Report; and

(c) other than an unsecured guarantee by the Parent Guarantor with respect to the obligations of Razor LP thereunder, not containing any provision obligating the relevant Loan Party to provide to the relevant Approved Hedge Counterparty any collateral, margin, letter of credit or any other form of security or credit support for the obligations, contingent or otherwise, of the relevant Loan Party thereunder.

6.16 Maintenance of Commodity Hedge Agreements.

Maintain at any time less than the Minimum Required Commodity Hedge Agreements.

6.17 Deposit Accounts.

With respect to the Borrowers, establish or maintain funds on deposit in a deposit account with any financial institution other than (a) the Control Accounts, (b) the Specified Accounts, or (c) other deposit accounts (including deposit accounts used to maintain funds in suspense or royalties due to third-parties) consented to in writing by the Agent acting reasonably.

6.18 General and Administrative Expense Ceiling.

With respect to Razor LP only, exceed \$100,000 of general and administrative expenses in any fiscal year.

6.19 Finance Lease Obligations and Purchase Money Obligations.

Create, incur, assume or suffer to exist any Finance Lease Obligations or Purchase Money Obligations without the prior written consent of Agent, except that the Loan Parties shall be permitted to incur Finance Lease Obligations and Purchase Money Obligations which in the aggregate do not exceed \$100,000 during the term of this Agreement without Agent's prior consent.

6.20 Amendments to Organizational Documents.

Subject to Section 5.21, without the prior written consent of the Agent, alter, amend or modify its certificate of formation, limited liability company, agreement, articles of incorporation, by-laws, or any other similar organizational document in any material respect, except under and pursuant to the AIMCo Settlement Documents, or alter, amend or modify the articles or share capital of SHGPC Parent in any manner that would reasonably be expected to cause a Material Adverse Effect.

6.21 Additional Subsidiaries.

With respect to the Borrowers, form or acquire any Subsidiary and, with respect to the Parent Guarantor, form, acquire or permit to exist any Subsidiary that at any time holds any interest whatsoever, legally or beneficially, directly or indirectly, in and to the Royalty Lands.

6.22 Equity Raise.

Except in connection with the AIMCo Reorganization Transaction, without the prior written consent of the Agent, use any proceeds from an Equity Raise to redeem or repay any Indebtedness that is subordinate to the Term Loans or to declare, pay or make any dividend or distribution.

6.23 Negative Pledge Agreements.

Create, incur, assume or suffer to exist any contract, agreement or understanding (other than this Agreement, the Security Documents, agreements with respect to Purchase Money Obligations and Finance Lease Obligations secured by Permitted Liens, but then only with respect to the Property that is the subject of such financing lease or purchase money Indebtedness), that in

any way prohibits or restricts the granting, conveying, creation or imposition of any Lien on any of its Property in favor of the Agent and the Lenders.

6.24 Material Accounting Changes.

Change the last day of its fiscal year from December 31 of each year, or the last days of the first three fiscal quarters in each of its fiscal years from March 31, June 30 and September 30 of each year, respectively. Make (without the consent of the Agent) any material change in its accounting treatment and reporting practices except as required by GAAP.

6.25 Joint Operating Agreements.

Enter into any new or replacement joint operating agreement (or any similar agreement) with respect to the Royalty Lands without Agent's consent acting reasonably.

ARTICLE VII
EVENTS OF DEFAULT

7.1 Enumeration of Events of Default.

Any of the following events shall constitute an Event of Default:

(a) default shall be made in the payment when due of any installment of principal or interest under this Agreement or the Notes or in the payment when due of any fee or other sum payable under any Loan Document to which the relevant Loan Party is a party and such default shall continue unremedied for three (3) days, except such amounts due on the Maturity Date, for which no such grace period shall apply;

(b) the Loan Parties shall default in the due observance or performance of any of its obligations under Article V or VI of this Loan Agreement (other than Section 5.12) and such default shall continue for ten (10) days after the earlier of notice thereof to the Borrowers by the Agent or knowledge thereof by any Loan Party;

(c) any representation or warranty made by any Loan Party in any of the Loan Documents proves to have been untrue in any material respect or any representation, statement (including Financial Statements), certificate, including the perfection certificate, or data furnished or made to the Agent or any Lender in connection herewith proves to have been untrue in any material respect as of the date the facts therein set forth were stated or certified;

(d) default shall be made by any Loan Party (as principal or guarantor or other surety) in the payment or performance of any bond, debenture, note or other Indebtedness in excess of \$100,000 or under any credit agreement, loan agreement, indenture, promissory note or similar agreement or instrument executed in connection with any of the foregoing, and such default shall remain unremedied for fifteen (15) days in excess of the period of grace, if any, with respect thereto;

(e) the levy against any significant portion of the Property of any Loan Party, or any execution, garnishment, attachment, sequestration or other writ or similar proceeding in an

amount in excess of \$100,000 which is not permanently dismissed or discharged within sixty (60) days after the levy;

(f) any Loan Party shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of it or all or a substantial part of its assets, (ii) file a voluntary petition commencing an Insolvency Proceeding, (iii) make a general assignment for the benefit of creditors of all or substantially all of its assets, (iv) be unable, or admit in writing its inability, to pay its debts generally as they become due or (v) file an answer admitting the material allegations of a petition filed against it in any Insolvency Proceeding;

(g) an order, judgment or decree shall be entered against any Loan Party by any court of competent jurisdiction or by any other Governmental Authority, on the petition of a creditor or otherwise, granting relief in any Insolvency Proceeding or approving a petition seeking reorganization or an arrangement of its debts or appointing a receiver, trustee, conservator, custodian or liquidator of it or all or any substantial part of its assets, and such order, judgment or decree shall not be dismissed or stayed within thirty (30) days;

(h) a final and non-appealable order, judgment or decree shall be entered against any Loan Party for money damages and/or Indebtedness due in an amount in excess of \$100,000, and such order, judgment or decree shall not be dismissed or stayed within 60 days or is not fully covered by insurance;

(i) any charges are filed or any other action or proceeding is instituted by any Governmental Authority against any Loan Party under the Racketeering Influence and Corrupt Organizations Statute (18 U.S.C. §1961 *et seq.*), the result of which could be the forfeiture or transfer of any material Property of the relevant Loan Party subject to a Lien in favour of the Agent without (i) satisfaction or provision for satisfaction of such Lien or (ii) such forfeiture or transfer of such Property being expressly made subject to such Lien;

(j) no Loan Party shall have (i) concealed, removed or diverted, or permitted to be concealed, removed or diverted, any part of its Property, with intent to hinder, delay or defraud its creditors or any of them, (ii) made or suffered a transfer of any of its Property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law with intent to hinder, delay or defraud its creditors, (iii) made any transfer of its Property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid with intent to hinder, delay or defraud its creditors, or (iv) shall have suffered or permitted, while insolvent, any creditor to obtain a Lien upon any of its Property through legal proceedings or distraint which is not vacated within sixty (60) days from the date thereof;

(k) any Security Document shall for any reason not, or cease to, create valid and perfected Liens (subject only to the Prior Permitted Liens) against the Property of any Loan Party which is a party thereto purportedly covered thereby, except to the extent permitted by this Agreement;

(l) any Loan Party contests in any manner the validity or enforceability of any provision of any Loan Document to which it is a party, or denies that it has any liability under any Loan Document to which it is a party;

(m) any Loan Party purports to revoke, terminate or rescind any Loan Document or any provision of any Loan Document;

(n) any Loan Party pays, in cash or otherwise, any portion of any Indebtedness subordinated to the Term Loans that is not expressly permitted pursuant to the terms of a subordination agreement in favour of the Agent; or

(o) a Change of Control occurs.

7.2 Remedies.

(a) Upon the occurrence of an Event of Default specified in Section 7.1(f) or Section 7.1(g), immediately and without notice, all Obligations shall automatically become immediately due and payable, without presentment, demand, protest, notice of protest, default or dishonor, notice of intent to accelerate maturity, notice of acceleration of maturity or other notice of any kind, except as may be provided to the contrary elsewhere herein, all of which are hereby expressly waived by the Loan Parties.

(b) Upon the occurrence of any Event of Default other than those specified in Section 7.1(f) or Section 7.1(g), the Agent may, and upon the request of the Required Lenders shall, by notice in writing to the Borrowers, declare all Obligations immediately due and payable, without presentment, demand, protest, notice of protest, default or dishonor, notice of intent to accelerate maturity, notice of acceleration of maturity or other notice of any kind, except as may be provided to the contrary elsewhere herein, all of which are hereby expressly waived by each Loan Party.

(c) Upon the occurrence of any Event of Default, the Lenders, with the oral consent of the Required Lenders (confirmed promptly in writing), and the Agent, in accordance with the terms hereof, may, in addition to the foregoing in this Section 7.2, exercise any or all of their rights and remedies provided by law, at equity, or pursuant to the Loan Documents.

(d) Should the Obligations under the Loan Documents become immediately due and payable in accordance with any of the preceding subsections of this Section 7.2, the Agent shall be entitled to proceed against the Collateral.

(e) Upon the occurrence of any Event of Default, the Agent shall be authorized and entitled, in its sole and uncontrolled discretion, to withdraw all cash in the Control Accounts on a daily basis to be applied pursuant to Section 7.2(f) until such time as no Event of Default exists.

(f) Proceeds received by the Agent from realization against the Collateral and any other funds received by the Agent from any Loan Party when an Event of Default has occurred and is continuing shall be applied pro rata (i) first, to fees and expenses due pursuant to the terms of this Agreement, any other Loan Document or any Commodity Hedge Agreement with a Lender, (ii) second, to accrued interest on the Obligations under the Loan Documents or any Commodity Hedge Agreement with a Lender and (iii) third, to the Loan Balance (in inverse order of maturity) and any other Obligations then due and payable, pro rata in accordance with the ratio of the Loan Balance or such other Obligations, as the case may be, to the sum of the Loan Balance and such

other Obligations. Notwithstanding the foregoing, amounts received from any Loan Party that is not an Eligible Contract Participant shall not be applied to any Excluded Swap Obligations owing to a Lender, it being understood that in the event any amount is applied to the Obligations other than Excluded Swap Obligations as a result of this sentence, the Agent shall make such adjustments as it determines are appropriate pursuant to this sentence, from amounts received from Eligible Contract Participants to ensure, as nearly as possible, that the proportional aggregate recoveries with respect to the Obligations described in the preceding sentence of this subsection (f) by Lenders that are the holders of any Excluded Swap Obligations are the same as the proportional aggregate recoveries with respect to other Obligations pursuant to the preceding sentence of this subsection (f).

ARTICLE VIII THE AGENT

8.1 Appointment.

Each Lender hereby designates and appoints the Agent as the agent of such Lender under this Agreement and the other Loan Documents to which the Agent is a party or under which the Agent is granted any right or remedy. Each Lender authorizes the Agent, as the agent for such Lender, to take such action on behalf of such Lender under the provisions of this Agreement or the other Loan Documents to which the Agent is a party or under which the Agent is granted any right or remedy and to exercise such powers and perform such duties as are expressly delegated to the Agent by the terms of this Agreement or the other Loan Documents to which the Agent is a party or under which the Agent is granted any right or remedy, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement or in any other Loan Document to which the Agent is a party or under which the Agent is granted any right or remedy, the Agent shall not have any duties or responsibilities except those expressly set forth herein or in any other Loan Document to which the Agent is a party or under which the Agent is granted any right or remedy or any fiduciary relationship with any Lender; and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Agent shall be read into this Agreement or any other Loan Document to which the Agent is a party or under which the Agent is granted any right or remedy or otherwise exist against the Agent.

8.2 Delegation of Duties.

The Agent may execute any of its duties under this Agreement and the other Loan Documents to which the Agent is a party or under which the Agent is granted any right or remedy by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible to any Lender for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

8.3 Exculpatory Provisions.

Neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) required to initiate or conduct any litigation or collection proceedings hereunder, except with the concurrence of the Required Lenders and contribution by each Lender of its Percentage Share of costs reasonably expected by the Agent to be incurred in

connection therewith, (b) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document to which the Agent is a party or under which the Agent is granted any right or remedy (except for gross negligence or wilful misconduct of the Agent or such Person) or (c) responsible in any manner to any Lender for any recitals, statements, representations or warranties made by any Loan Party or any Responsible Officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agent under or in connection with, this Agreement or any other Loan Document to which the Agent is a party or under which the Agent is granted any right or remedy, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document to which the Agent is a party or under which the Agent is granted any right or remedy or for any failure of any Loan Party to perform its obligations hereunder or thereunder. The Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document to which the Agent is a party or under which the Agent is granted any right or remedy, or to inspect the Properties, books or records of the Loan Parties.

8.4 Reliance by Agent.

The Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, telegram, teletype, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Loan Parties), independent accountants and other experts selected by the Agent. The Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless and until a written notice of assignment, negotiation or transfer thereof shall have been received by the Agent. The Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document to which the Agent is a party or under which the Agent is granted any right or remedy unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate and contribution by each Lender of its Percentage Share of costs reasonably expected by the Agent to be incurred in connection therewith. The Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents to which the Agent is a party or under which the Agent is granted any right or remedy in accordance with a request of the Required Lenders. Such request and any action taken or failure to act pursuant thereto shall be binding upon the Lenders and all future holders of the Notes. In no event shall the Agent be required to take any action that exposes the Agent to liability or that is contrary to any Loan Document to which the Agent is a party or under which the Agent is granted any right or remedy or applicable Requirement of Law.

8.5 Notice of Default.

The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Agent has received written notice from a Lender or the Borrowers, or either of them, referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default." In the event that the Agent receives such a notice, the Agent shall promptly give notice thereof to the Lenders. The Agent shall take

such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided that unless and until the Agent shall have received such directions, subject to the provisions of Section 7.2, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders. In the event that the officer of the Agent primarily responsible for the lending relationship with the Borrowers or any Responsible Officer of any Lender primarily responsible for the lending relationship with the Borrowers becomes aware that a Default or Event of Default has occurred and is continuing, the Agent or such Lender, as the case may be, shall use its good faith efforts to inform the other Lenders or the Agent, as the case may be, promptly of such occurrence. Notwithstanding the preceding sentence, failure to comply with the preceding sentence shall not result in any liability to the Agent or any Lender.

8.6 Non-Reliance on Agent and Other Lenders.

Each Lender expressly acknowledges that neither the Agent nor any other Lender nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representation or warranty to such Lender and that no act by the Agent or any other Lender hereafter taken, including any review of the affairs of the Loan Parties, shall be deemed to constitute any representation or warranty by the Agent or any Lender to any other Lender. Each Lender represents to the Agent that it has, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, condition (financial and otherwise) and creditworthiness of the Loan Parties and the value of the Properties of the Loan Parties and has made its own decision to enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, condition (financial and otherwise) and creditworthiness of the Loan Parties and the value of the Properties of the Loan Parties. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agent hereunder, the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial and otherwise) or creditworthiness of the Loan Parties or the value of the Properties of the Loan Parties which may come into the possession of the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

8.7 Indemnification.

Each Lender agrees to indemnify the Agent and its officers, directors, employees, agents, attorneys-in-fact and Affiliates (to the extent not reimbursed by the Borrowers and without limiting the obligation of the Borrowers to do so), ratably according to the Percentage Share of such Lender, from and against any and all liabilities, claims, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind whatsoever which may at any time (including any time following the payment and performance of all Obligations and the termination of this Agreement) be imposed on, incurred by or asserted against the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates in any

way relating to or arising out of this Agreement or any other Loan Document, or any other document contemplated or referred to herein or the transactions contemplated hereby or any action taken or omitted by the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates under or in connection with any of the foregoing, including any liabilities, claims, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements imposed, incurred or asserted as a result of the negligence, whether sole or concurrent, of the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the gross negligence or wilful misconduct of the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates. The agreements in this Section 8.7 shall survive the payment and performance of all Obligations and the termination of this Agreement.

8.8 Restitution.

Should the right of the Agent or any Lender to realize funds with respect to the Obligations be challenged and any application of such funds to the Obligations be reversed, whether by Governmental Authority or otherwise, or should any Loan Party otherwise be entitled to a refund or return of funds distributed to the Lenders in connection with the Obligations, the Agent or such Lender, as the case may be, shall promptly notify the Lenders of such fact. Not later than Noon, Eastern Standard or Eastern Daylight Savings Time, as the case may be, of the Business Day following such notice, each Lender shall pay to the Agent an amount equal to the ratable share of such Lender of the funds required to be returned to the Loan Party entitled to such funds. The ratable share of each Lender shall be determined on the basis of the percentage of the payment all or a portion of which is required to be refunded originally distributed to such Lender, if such percentage can be determined, or, if such percentage cannot be determined, on the basis of the Percentage Share of such Lender. The Agent shall forward such funds to the relevant Loan Party or to the Lender required to return such funds. If any such amount due to the Agent is made available by any Lender after Noon, Eastern Standard or Eastern Daylight Savings Time, as the case may be, of the Business Day following such notice, such Lender shall pay to the Agent (or the Lender required to return funds to the relevant Borrower, as the case may be) for its own account interest on such amount at a rate equal to the Federal Funds Rate for the period from and including the date on which restitution to the relevant Loan Party is made by the Agent (or the Lender required to return funds to the relevant Loan Party, as the case may be) to but not including the date on which such Lender failing to timely forward its share of funds required to be returned to the relevant Loan Party shall have made its ratable share of such funds available.

8.9 Agent in Its Individual Capacity.

Lender serving as the Agent hereunder and its Affiliates may make loans to, accept deposits from, and generally engage in any kind of business with the Loan Parties or any of them as though such Lender were not the agent hereunder. With respect to any Note issued to the Lender serving as the agent, such Lender shall have the same rights and powers under this Agreement as a Lender and may exercise such rights and powers as though it were not the agent hereunder. The terms “Lender” and “Lenders” shall include the Agent in its individual capacity as a Lender.

8.10 Successor Agent.

The Agent may resign as Agent upon fifteen (15) days' notice to the Lenders and the Borrowers. If the Agent shall resign as Agent under this Agreement and the other Loan Documents, Required Lenders shall appoint from among the Lenders or Affiliates of Lender a successor agent for the Lenders with the written approval of the Borrowers (unless an Event of Default shall have occurred in which case the Borrowers' written approval shall not be required), such approval not to be unreasonably withheld, whereupon such successor agent shall succeed to the rights, powers and duties of the Agent. If no successor agent shall have been appointed by the Required Lenders and shall have accepted such appointment within fifteen (15) days after the retiring agent's giving of notice of resignation or the Remaining Lenders' removal of the retiring agent, then the retiring agent may, on behalf of the Lenders and with the written approval of the Borrowers (unless an Event of Default shall have occurred in which case the Borrowers' written approval shall not be required), such approval not to be unreasonably withheld, appoint a successor agent. The term "Agent" shall mean such successor agent effective upon its appointment. The rights, powers and duties of the former Agent as Agent shall be terminated, without any other or further act or deed on the part of such former Agent or any of the parties to this Agreement or any holders of the Notes. After the removal or resignation of any Agent hereunder as Agent, the provisions of this Article VIII and those of any Section of this Agreement relating to the Agent, including Section 5.14, Section 5.15, Section 5.18, Section 5.19 and Section 8.7 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement and the other Loan Documents.

8.11 Applicable Parties.

The provisions of this Article VIII are solely for the benefit of the Agent and the Lenders, and, other than as provided under Section 8.10, none of the Loan Parties shall have any rights as a third party beneficiary or otherwise under any of the provisions of this Article VIII. In performing functions and duties hereunder and under the other Loan Documents, the Agent shall act solely as the agent of the Lenders and does not assume, nor shall it be deemed to have assumed, any obligation or relationship of trust or agency with or for the Loan Parties or any legal representative, successor or assign of the Loan Parties.

8.12 Releases.

Each Lender hereby authorizes the Agent to release any Collateral that is permitted to be sold or released pursuant to the terms of the Loan Documents. Each Lender hereby authorizes the Agent to execute and deliver to the Loan Parties or any of them, at the sole cost and expense of the Borrowers, any and all releases of Liens, termination statements, assignments or other documents reasonably requested by the Borrowers in connection with any sale or other disposition of Property to the extent such sale or other disposition is permitted by the terms of the Loan Documents.

8.13 Gross Negligence and Wilful Misconduct.

No act or omission of the Agent or its Affiliates, officers, directors, employees or agents shall be considered gross negligence or wilful misconduct if the act or omission was done

or omitted in accordance with the express, implied or deemed instructions or concurrence of the requisite Lenders.

ARTICLE IX
MISCELLANEOUS

9.1 Assignments; Participations.

(a) None of the Loan Parties may assign any of its rights or obligations under any Loan Document without the prior written consent of the Agent and the Lenders.

(b) With the consent of the Agent and, so long as there exists no Default or Event of Default, the Borrowers (which shall not be unreasonably withheld in either case), any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement pursuant to an Assignment Agreement. Any such assignment shall be in the amount of at least \$25,000 (or any whole multiple of \$25,000 in excess thereof), unless the relevant assignment is to an affiliate of the assigning Lender or is an assignment of the entire Commitment of the assigning Lender. The assignee shall pay to the Agent, if requested by the Agent, a transfer fee in the amount of \$2,500 for each such assignment. Any such assignment shall become effective upon receipt by the Agent of all documentation and other information with respect to the assignee that is required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the USA Patriot Act and *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the execution and delivery to the Agent of the Assignment Agreement and recordation by the Agent in the Register in accordance with this Section 9.1(b). Promptly following receipt of an executed Assignment Agreement, the Agent shall send to the Borrowers a copy of such executed Assignment Agreement. Promptly following receipt of such executed Assignment Agreement, the Borrowers, as applicable, shall execute and deliver, at its own expense, new Notes to the assignee and, if applicable, the assignor, in accordance with their respective interests, whereupon the prior Notes of the assignor and, if applicable, the assignee, shall be canceled and returned to the relevant Borrower. Upon the effectiveness of any assignment pursuant to this Section 9.1(b), the assignee will become a “Lender,” if not already a “Lender,” for all purposes of the Loan Documents, and the assignor shall be relieved of its obligations hereunder to the extent of such assignment. If the assignor no longer holds any rights or obligations under this Agreement, such assignor shall cease to be a “Lender” hereunder, except that its rights under Section 5.15, Section 5.18, Section 5.19 and Section 8.7, shall not be affected. On the last Business Day of each month during which an assignment has become effective pursuant to this Section 9.1(b), the Agent shall update the Register to show all such assignments effected during such month and will promptly provide a copy thereof to the Borrowers and each Lender. Agent, acting for this purpose as a non-fiduciary agent of the Borrowers, shall maintain at one of its offices located in the United States of America a copy of each Assignment Agreement delivered to it and a Register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount and stated interest of the Term Loans owing to, each Lender pursuant to the terms hereof from time to time (the “**Register**”). The entries in the Register shall be conclusive and the Borrowers, Agent and the Lenders shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, in the absence of manifest error. Notwithstanding anything to the contrary, any assignment of any Term Loan shall be effective only upon appropriate

entries with respect thereto being made in the Register. The Register shall be available for inspection by the Borrowers, Agent and any Lender, at any reasonable time and from time to time upon reasonable prior written notice. This Section 9.1(b) shall be construed so that the Term Loans are at all times maintained in “registered form” within the meanings of Sections 163(f), 871(h)(2) and 881(c)(2) of the IRC and any related regulations (and any successor provisions).

(c) Each Lender may, without the consent of the Borrowers, or either of them, transfer, grant or assign participations in all or any portion of its interests hereunder to any Person pursuant to this Section 9.1(c), provided that such Lender shall remain a “Lender” for all purposes of this Agreement and the Transferee of such participation shall not constitute a “Lender” hereunder. In the case of any such participation, the participant shall not have any rights under any Loan Document, the rights of the participant in respect of such participation to be against the granting Lender as set forth in the agreement with such Lender creating such participation, and all amounts payable by the Borrowers hereunder shall be determined as if such Lender had not sold such participation. Each agreement creating a participation must include an agreement by the participant to be bound by the provisions of Section 8.3, Section 8.6 and Section 8.7.

(d) The Agent or any Lender may furnish any information concerning the Borrowers and the other Loan Parties in the possession of the Agent or such Lender from time to time to assignees and participants and prospective assignees and participants.

(e) Notwithstanding anything in this Section 9.1 to the contrary, any Lender which is a national or state bank may assign and pledge all or any of its Notes or any interest therein to any Federal Reserve Bank or the Department of the Treasury of the United States of America as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any operating circular issued by such Federal Reserve System or such Federal Reserve Bank. No such assignment or pledge shall release the assigning or pledging Lender from its obligations hereunder.

(f) Notwithstanding any other provisions of this Section 9.1, no transfer or assignment of the interests or obligations of any Lender or grant of participations therein shall be permitted if such transfer, assignment or grant would require the Borrowers, or either of them, to file a registration statement with the Securities and Exchange Commission or any successor Governmental Authority or qualify the Term Loans under the “Blue Sky” laws of any state.

9.2 Survival of Representations, Warranties, and Covenants.

All representations and warranties of the Loan Parties and all covenants and agreements herein made by the Loan Parties shall survive the execution and delivery of the Notes and shall remain in force and effect so long as any Obligation is outstanding.

9.3 Notices and Other Communications.

Except as to oral notices expressly authorized herein, if any, which oral notices shall be promptly confirmed in writing, all notices, requests and communications hereunder shall be in writing (including by facsimile or electronic mail). Unless otherwise expressly provided herein, any such notice, request, demand or other communication shall be deemed to have been duly given or made when delivered personally, or, in the case of delivery by mail, when deposited

in the mail, certified mail with return receipt requested, postage prepaid, in the case of facsimile notice, when receipt thereof is acknowledged orally or by written confirmation report or, in the case of electronic mail, when sent and no undeliverable notification is received, addressed as follows:

(a) if to the Agent, to:

405 Dolomite LLC
c/o Arena Investors, LP
405 Lexington Avenue
59th Floor
New York, New York 10174
Attention: Greg White
E-mail: gwhite@arenaco.com

With an email copy to:

reporting@arenaco.com

(b) if to any Lender, to the Applicable Lending Office, including, without limitation, each email address of such Lender appearing below such Lender's Applicable Lending Office.

(c) if to the Borrowers or the other Loan Parties, to:

Razor Royalties Limited Partnership
Suite 800, 500-5th Avenue S.W.
Calgary, AB T2P 3L5

Attention: Doug Bailey
Email: dbailey@razor-energy.com

Any party may, by proper written notice hereunder to the others, change the individuals or addresses to which such notices to it shall thereafter be sent.

9.4 Parties in Interest.

Subject to the restrictions on changes in structure set forth in Section 6.9 and other applicable restrictions contained herein, all covenants and agreements herein contained by or on behalf of the Loan Parties, the Agent or the Lenders shall be binding upon and inure to the benefit of the Loan Parties, the Agent or the Lenders, as the case may be, and their respective legal representatives, successors and assigns.

9.5 Rights of Third Parties.

Except as provided in Section 9.4, all provisions herein are imposed solely and exclusively for the benefit of the Agent, the Lenders and the Loan Parties and no other Person shall

have any right, benefit, priority or interest hereunder or as a result hereof or have standing to require satisfaction of provisions hereof in accordance with their terms.

9.6 Renewals; Extensions.

All provisions of this Agreement relating to the Notes shall apply with equal force and effect to each promissory note hereafter executed which in whole or in part represents a renewal or extension of any part of the Indebtedness of the Borrowers and the other Loan Parties under this Agreement, the Notes or any other Loan Document.

9.7 No Waiver; Rights Cumulative.

No course of dealing on the part of the Agent or the Lenders or their officers or employees, nor any failure or delay by the Agent or the Lenders with respect to exercising any of their rights under any Loan Document shall operate as a waiver thereof. The rights of the Agent and the Lenders under the Loan Documents shall be cumulative and the exercise or partial exercise of any such right shall not preclude the exercise of any other right. The making of the Term Loans shall not constitute a waiver of any of the covenants, warranties or conditions of the Loan Parties contained herein. In the event any of the Loan Parties are unable to satisfy any such covenant, warranty or condition, the making of the Term Loans shall not have the effect of precluding the Agent or the Lenders from thereafter declaring such inability to be an Event of Default as hereinabove provided.

9.8 Survival Upon Unenforceability.

In the event any one or more of the provisions contained in any of the Loan Documents or in any other instrument referred to herein or executed in connection with the Obligations shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of any Loan Document or of any other instrument referred to herein or executed in connection with such Obligations.

9.9 Amendments; Waivers.

Neither this Agreement nor any provision hereof may be amended, waived, discharged or terminated orally, except by an instrument in writing signed by the Agent and the party against whom enforcement of the amendment, waiver, discharge or termination is sought. Subject to the preceding sentence, any provision of this Agreement or any other Loan Document may be amended or modified by the Loan Parties and the Required Lenders or waived by the Required Lenders; provided that, notwithstanding any provision of this Agreement to the contrary, (a) no amendment, modification or waiver which extends the Maturity Date, forgives the principal amount of any Indebtedness of any Borrower outstanding under this Agreement or interest thereon or fees owing under this Agreement, releases any guarantor of such Indebtedness, releases all or substantially all of the Property of the Loan Parties subject to the Security Documents, reduces the interest rate applicable to the Loan Balance or the fees payable to the Lenders generally, delays the payment of interest, fees or principal payments, reduces any principal payments, makes changes to the pro rata application of payments or disbursement to the Lenders, affects this Section 9.9 or modifies the definition of "Required Lenders" shall be effective without the unanimous

written consent of all Lenders and the Agent; (b) no amendment, modification or waiver which increases the Percentage Share of any Lender shall be effective without the written consent of such Lender and the Agent; and (c) no amendment, modification or waiver which modifies the rights, duties or obligations of the Agent shall be effective without the written consent of the Agent.

9.10 Controlling Agreement.

In the event of a conflict between the provisions of this Agreement and those of any other Loan Document, the provisions of this Agreement shall control.

9.11 Currency Indemnity.

Any payment made to or for the account of a Lender in respect of any amount payable by the Borrowers or any other Loan Party in a currency (the “**Tendered Currency**”) other than the currency in which such payment is due (the “**Required Currency**”), whether pursuant to any judgment or order of a court or tribunal or otherwise, shall constitute a discharge of the Loan Parties only to the extent of the amount of the Required Currency which may be purchased with such Tendered Currency at the time of payment at the spot rate of exchange for such conversion as quoted by Citibank in New York in accordance with its normal practice at such time. The Borrowers covenant and agree to and in favour of each Lender that it shall, as a separate and independent obligation which shall not be merged in any such judgment or order, pay or cause to be paid the amount not so discharged in accordance with the foregoing and indemnify and hold harmless each Lender against any loss or damage arising as a result of any such amount being paid in such Tendered Currency. A certificate of the Agent as to any such loss or damage shall be prima facie evidence of the amount thereof in the absence of manifest error.

9.12 Anti-Money Laundering Legislation.

(a) The Loan Parties acknowledge that, pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” laws (collectively, including any guidelines or orders thereunder, “**AML Legislation**”), the Lenders and the Agent may be required to obtain, verify and record information regarding Parent Guarantor and the Borrowers, their respective Subsidiaries, their respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of Parent Guarantor and the Borrowers, and the transactions contemplated hereby. The Borrowers shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or the Agent, or any prospective assignee or participant of a Lender or the Agent, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

(b) If the Agent has ascertained the identity of any Loan Party or any authorized signatories of Parent Guarantor or the Borrowers for the purposes of applicable AML Legislation, then the Agent:

(i) shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a “written agreement” in such regard between each Lender and the Agent within the meaning of applicable AML Legislation; and

(ii) shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each of the Lenders agrees that the Agent has no obligation to ascertain the identity of any Loan Party or any authorized signatories of any Loan Party on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from any Loan Party or any such authorized signatory in doing so.

9.13 Environmental Indemnity.

The Loan Parties shall and do hereby indemnify and hold harmless the Agent and the Lenders (including a receiver, receiver-manager or similar Person appointed under applicable law) and its and their respective Affiliates, officers, directors, employees and agents (collectively, in this Section 9.13, the “**Indemnified Parties**”), forthwith on demand by the Agent, from and against any and all 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 the Indemnified Parties or any of them with respect to any Environmental Complaints relating to the property of the Loan Parties or any of their Subsidiaries arising under any Environmental Laws as a result of the past, present or future operations of the Loan Parties or any of their Subsidiaries (or any predecessor in interest to the Loan Parties or any of their Subsidiaries) relating to the property of the Loan Parties or of their Subsidiaries, or the past, present or future condition of any part of the property of the Loan Parties or their Subsidiaries, whether owned, operated or leased by the Loan Parties or by any of their Subsidiaries, or any such predecessor in interest but excluding any Environmental Complaints or liabilities relating thereto to the extent that such Environmental Complaints or liabilities arise by reason of the gross negligence or wilful misconduct of the Indemnified Party claiming indemnity hereunder. This Section 9.13 shall survive the repayment of the Obligations.

9.14 Governing Law.

This Agreement and the Notes shall be deemed to be contracts made under and shall be construed in accordance with and governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein, without giving effect to principles thereof relating to conflicts of law.

9.15 Waiver of Jury Trial.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER

PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

9.16 Jurisdiction and Venue.

All actions or proceedings with respect to, arising directly or indirectly in connection with, out of, related to or from this Agreement or any other Loan Document may be litigated, at the sole discretion and election of the Agent, in courts of the Province of Alberta, and any appellate court thereof. In such regard, each Loan Party hereby submits to the jurisdiction of any provincial or federal court located in Calgary, Alberta, and hereby waives any rights it may have to transfer or change the jurisdiction or venue of any litigation brought against it by the Agent or any Lender in accordance with this Section 9.16.

9.17 Integration.

This Agreement and the other Loan Documents constitute the entire agreement among the parties hereto and thereto with respect to the subject hereof and thereof and shall supersede any prior agreement among the parties hereto and thereto, whether written or oral, relating to the subject matter hereof and thereof, including any term sheet or summary of principal terms provided to any Loan Party by Arena Investors LP, the Agent or any Lender. Furthermore, in this regard, this Agreement and the other Loan Documents represent, collectively, the final agreement among the parties hereto and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of such parties. There are no unwritten oral agreements among such parties.

9.18 Waiver of Punitive and Consequential Damages.

Each Loan Party, the Agent and each Lender hereby knowingly, voluntarily, intentionally and irrevocably (a) waives, to the maximum extent it may lawfully and effectively do so, any right it may have to claim or recover, in any Dispute based hereon or directly or indirectly at any time arising out of, under or in connection with the Loan Documents or any transaction contemplated thereby or associated therewith, before or after maturity, any special, exemplary, punitive or consequential damages, or damages other than, or in addition to, actual damages and (b) acknowledge that it has been induced to enter into this Agreement, the other Loan Documents and the transactions contemplated hereby and thereby by, among other things, the mutual waivers and certifications contained in this Section 9.18.

9.19 Counterparts.

For the convenience of the parties, this Agreement may be executed in multiple counterparts and by different parties hereto in separate counterparts, each of which for all purposes shall be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement. In this regard, each of the parties hereto acknowledges that a counterpart of

this Agreement containing a set of counterpart execution pages reflecting the execution of each party hereto shall be sufficient to reflect the execution of this Agreement by each party hereto.

9.20 USA Patriot Act Notice.

Each Lender and the Agent (for itself and not on behalf of any Lender) hereby notifies each Loan Party that, pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender or the Agent, as applicable, to identify each Loan Party in accordance with the USA Patriot Act.

9.21 Tax Shelter Regulations.

None of the Loan Parties intend to treat the Term Loans and related transactions hereunder and under the other Loan Documents as a “reportable transaction” (within the meanings under current Treasury Regulation Section 1.6011-4 and Proposed Treasury Regulation Section 1.6011-4, promulgated on November 1, 2006). In the event the Loan Parties determine to take any action inconsistent with the foregoing statement, it will promptly notify the Agent thereof. If the Loan Parties so notify the Agent, the Loan Parties acknowledge that one or more of the Lenders may treat its Percentage Share of the Term Loans and the related transactions hereunder and under the other Loan Documents as part of a transaction that is subject to current Treasury Regulation Section 301.6112-1 or Proposed Treasury Regulation Section 301.6112-1, promulgated on November 1, 2006, and, in such case, such Lender or Lenders, as applicable, will maintain the lists and other records required, if any, by such Treasury Regulations.

9.22 Brokers.

Each Loan Party hereby represents that it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders (collectively, a “**Broker**”) in connection with the Term Loans. Each Loan Party shall indemnify and hold the Agent and the Lenders harmless from and against any and all claims, liabilities, costs and expenses (including the reasonable fees and disbursements of legal counsel for the Agent, whether incurred in connection with enforcing this indemnity or defending claims of third parties) of any kind in any way relating to or arising from a claim by any Person (including a Broker) that such Person acted on behalf of any Loan Party in connection with the transactions contemplated herein. The provisions of this Section 9.22 shall survive the expiration and termination of this Agreement and the repayment of the Indebtedness

9.23 Exchange and Confidentiality of Information.

(a) The Loan Parties agree that the Agent and each Lender may provide any assignee or participant or any bona fide prospective assignee or participant pursuant to Section 9.1 with any information concerning the financial condition of the Loan Parties and the Subsidiaries provided such party agrees in writing with the Agent or such Lender for the benefit of the Loan Parties to be bound by a like duty of confidentiality to that contained in this Section 9.23.

(b) Each of the Agent and the Lenders acknowledges the confidential nature of the financial, operational and other information and data provided and to be provided to them by the Loan Parties pursuant hereto (the “**Information**”) and agrees to use all reasonable efforts to prevent the disclosure thereof; provided that:

(i) the Agent and the Lenders may disclose all or any part of the Information if, in their reasonable opinion, such disclosure is required in connection with any actual or threatened judicial, administrative or governmental proceedings including proceedings initiated under or in respect of this Agreement or, provided that the recipients shall be under a like duty of confidentiality to that contained in this Section 9.23, for the purpose of syndicating the facility evidenced by this Agreement;

(ii) the Agent and the Lenders shall incur no liability in respect of any Information required to be disclosed by any laws, or by applicable order, policy or directive having the force of law, to the extent of such requirement;

(iii) the Agent and the Lenders may provide their Affiliates, their counsel and their other agents and professional advisors with any Information; provided that such persons shall be under a like duty of confidentiality to that contained in this Section 9.23;

(iv) the Agent and each of the Lenders shall incur no liability in respect of any Information: (a) which is or becomes readily available to the public (other than by a breach hereof) or which has been made readily available to the public by any Loan Party, (b) which the Agent or the relevant Lender can show was, prior to receipt thereof from any Loan Party, lawfully in the Agent’s or Lender’s possession and not then subject to any obligation on its part to the Loan Parties to maintain confidentiality, or (c) which the Agent or the relevant Lender received from a third party who was not, to the knowledge of the Agent or such Lender after reasonable inquiry, under a duty of confidentiality to the Loan Parties at the time the information was so received;

(v) the Agent and the Lenders may disclose the Information to other potential lenders in connection with the syndication by the Agent or Lenders of the facility evidenced by this Agreement where such potential lender agrees to be under a like duty of confidentiality to that contained in this Section 9.23;

(vi) the Agent and the Lenders may disclose all or any part of the Information so as to enable the Agent and the Lenders to initiate any lawsuit against any Loan Party or any Subsidiary of a Loan Party or to defend any lawsuit commenced by any Loan Party or any Subsidiary of a Loan Party the issues of which touch on the Information, but only to the extent such disclosure is necessary to the initiation or defense of such lawsuit; and

(vii) the Agent and the Lenders may disclose all or any part of the Information so as to enable the Agent and the Lenders to grant credit and insurance products.

(c) Each Loan Party hereby authorize the Agent and the Lenders to obtain personal information pertaining to it from any party likely to have such information (including, without limitation, a credit or information bureau, financial institution, creditor, employer, tax authority, public entity, Persons with whom it may have business relations, and Affiliates and Subsidiaries of the Agent or any Lender).

9.24 Telephone Instructions.

Any verbal instructions given by the Loan Parties in relation to this Agreement will be at the risk of the Loan Parties and neither the Agent nor the Lenders will have any liability for any error or omission in such verbal instructions or in the interpretation or execution thereof by the Agent or a Lender, as the case may be, provided the Agent or Lender, as the case may be, acted without gross negligence in the circumstances. The Agent will notify the Borrowers of any conflict or inconsistency between any written confirmation of such verbal instructions received from any Loan Party and the said verbal advice as soon as practicable after the conflict or inconsistency becomes apparent to the Agent.

9.25 Electronic Instructions.

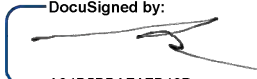
The Loan Parties authorize the Agent and each Lender to do all things as authorized by the Loan Parties even if such authorization is sent by fax or by e-mail and the Agent or such Lender may deem such authorization valid and sufficient and the aforementioned presumption of accuracy shall apply to the authorization, whether it is required for transmitting information, a debit, issuing drafts or for any other purpose. Moreover, neither the Agent nor the Lenders (nor any of them) will be held liable for any fees or delays which may be caused when an instruction is sent whether due to a technical problem attributable to the systems in use by the Agent or any Lender or otherwise.

(Signatures appear on following pages)

IN WITNESS WHEREOF, this Agreement is executed as of the date first above written.

BORROWER:

**RAZOR ROYALTIES LIMITED
PARTNERSHIP, by its general partner
RAZOR HOLDINGS GP CORP.**

By: 
A94B5BBFA7B46D...
Name: Doug Bailey
Title: Chief Executive Officer


BORROWER AND GUARANTOR:

**SWAN HILLS GEOTHERMAL
POWER CORP.**

By: _____
Name: Lisa Mueller
Title: President

PARENT GUARANTOR:

RAZOR ENERGY CORP.

By: 
A94B5BBFA7B46D...
Name: Doug Bailey
Title: President and Chief Execution
Officer

IN WITNESS WHEREOF, this Agreement is executed as of the date first above written.

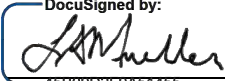
BORROWER:

**RAZOR ROYALTIES LIMITED
PARTNERSHIP, by its general partner
RAZOR HOLDINGS GP CORP.**

By: _____
Name: Doug Bailey
Title: Chief Executive Officer

BORROWER AND GUARANTOR:

**SWAN HILLS GEOTHERMAL
POWER CORP.**

By:  _____
Name: Lisa Mueller
Title: President

PARENT GUARANTOR:

RAZOR ENERGY CORP.

By: _____
Name: Doug Bailey
Title: President and Chief Execution
Officer

AGENT:

405 DOLOMITE LLC

By: DocuSigned by:
Lawrence Cutler
D6D05B3BF2A04FD...
Name: Lawrence Cutler
Title: Authorized signatory

TERM LOAN 3 LENDER:

ARENA LIMITED SPV, LLC

By: DocuSigned by:
Lawrence Cutler
D6D05B3BF2A04FD...
Name: Lawrence cutler
Title: Authorized signatory

LENDER:

405 DOLOMITE LLC

By: DocuSigned by:
Lawrence Cutler
D6D05B3BF2A04FD...
Name: Lawrence cutler
Title: Authorized signatory

Applicable Lending Office:

405 Lexington Avenue
59th Floor
New York, New York 10174
Attn: Greg White
E-mail: gwhite@arenaco.com,
reporting@arenaco.com and
jvelasco@arenaco.com

(End of signature pages)

SCHEDULE 1.2A

DEVELOPMENT PLANS

See attached.



**2023 PRODUCTION FORECAST
ARENA CAPITAL PARTNERS
APRIL, 2023**



Z BASE PRODUCTION FORECAST BY SUB-AREA

Production Forecast
Razor Energy Inc.
2023 Monthly Net Sales Volumes Estimates

BASE PRODUCTION	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	Total (boepd)	Total (boepd)	Total (boepd)	Total (boepd)	Total (boepd)	Total (boepd)	Total (boepd)	Total (boepd)	Total (boepd)
South Swan Hills Unit	740	725	719	713	706	700	694	688	682
South Swan Non Unit	98	97	96	95	94	93	92	92	91
East Swan Hills Unit	199	195	193	191	190	188	186	185	183
Swan Hills Unit #1	926	912	904	1109	1106	1096	1288	1442	1430
North Swan Non Unit	27	26	26	26	26	25	25	25	25
Virginia Hills Unit #1	22	21	21	20	20	20	19	19	19
Virginia Hills Unit #2	16	15	15	15	15	15	15	15	14
Freeman Unit #1	2	2	2	2	2	2	2	2	2
Virginia Hills Non Unit	134	133	131	128	126	124	122	120	117
Carson Creek North Unit #1	31	30	30	29	29	28	28	27	27
Carson Creek Non Unit	93	91	90	89	88	87	86	85	84
Casinghead Gas	111	110	110	110	110	110	110	110	110
Kaybob South Triassic Unit No 1	164	160	157	154	151	148	145	143	140
Kaybob South Triassic Unit No 2	325	315	309	304	298	293	287	282	277
Kaybob South BHL Gas Unit No 3	92	124	117	110	104	98	93	88	83
Simonette BHL A Pool	164	161	160	158	157	155	154	153	151
Simonette BHL B Pool	40	39	38	38	37	36	35	35	34
Karr BHL A Pool	17	33	32	32	31	30	29	29	28
Kaybob Non-Unit	14	14	14	14	14	14	13	13	13
Badger	112	110	108	106	104	102	100	98	96
Chin Coulee	19	19	19	18	18	18	17	17	17
Enchant	279	271	266	262	257	252	247	243	238
Jumpbush	34	33	32	32	31	31	30	30	29
Majorville	34	34	33	32	32	31	31	30	29
Enchant Non-op	67	65	64	63	62	60	59	58	57
Badger Non-op	0	0	0	0	0	0	0	0	0
Jumpbush Non-op	2	2	2	2	1	1	1	1	1
Majorville Non-op	32	31	31	30	30	29	28	28	27
Total 2023 Base	3793	3768	3718	3880	3835	3786	3938	4054	4004



Z DEVELOPMENT ACTIVITIES FORECAST BY WELL

Well	Capital	Type	Month	Area	IP BOEPD	Annual Decline	Service Rig?
100/01-16-067-09W5	\$20,000	Annugas Repair	May	East Swan Hills	8.8	10%	
102/16-16-067-09W5	\$20,000	Annugas Repair	May	East Swan Hills	8.8	10%	
100/01-23-067-09W5	\$20,000	Annugas Repair	May	East Swan Hills	8.8	10%	
100/16-26-067-09W5	\$20,000	Annugas Repair	Jun	East Swan Hills	8.8	10%	
100/09-26-067-09W5	\$20,000	Annugas Repair	Jun	East Swan Hills	8.8	10%	
100/02-16-065-10W5	\$20,000	Annugas Repair	Jun	South Swan Hills	12.3	10%	
100/15-24-016-18W4/02	\$40,000	Pump Repair	Jun	Badger	20.8	10%	
100/10-25-016-18W4	\$40,000	Pump Repair	Jun	Badger	3.0	10%	
102/02-25-016-18W4/00	\$30,000	Rod Failure	Jun	Badger	15.8	10%	
100/13-03-008-15W4	\$6,000	Seal Assembly	May	Chin Coulee	6.0	10%	
100/03-35-007-15W4	\$6,000	Seal Assembly	May	Chin Coulee	2.5	10%	
100/14-16-068-09W5	\$100,000	Parted Rods	Jun	East Swan Hills	30.8	10%	Y
100/09-26-067-09W5	\$100,000	Parted Rods	Jun	East Swan Hills	22.6	10%	Y
100/16-07-065-10W5	\$270,270	Repair ESP	Jun	South Swan Hills	74.9	10%	Y
100/10-06-065-10W5	\$297,297	Repair ESP	Jul	South Swan Hills	88.2	10%	Y
100/12-06-065-10W5	\$247,748	Shorted ESP	Jul	South Swan Hills	33.5	10%	Y
102/10-05-065-10W5	\$360,360	Repair ESP	Jul	South Swan Hills	54.2	10%	Y
100/12-07-065-10W5	\$301,802	Repair ESP	Aug	South Swan Hills	35.3	10%	Y
100/02-18-065-10W5	\$292,793	Shorted ESP	Aug	South Swan Hills	46.2	10%	Y
100/02-07-065-10W5	\$292,793	Repair ESP	Aug	South Swan Hills	63.8	10%	Y
100/10-20-065-10W5	\$247,748	Shorted ESP	Sep	South Swan Hills	50.9	10%	Y
100/16-18-065-10W5	\$297,297	Shorted ESP	Sep	South Swan Hills	61.3	10%	Y
100/16-32-065-10W5	\$63,063	ESP Well Short	Sep	South Swan Hills	24.9	10%	Y
100/14-36-065-10W5	\$90,090	Parted Rods	Oct	South Swan Hills	11.3	10%	Y
100/16-20-065-10W5	\$90,090	Parted Rods	Oct	South Swan Hills	15.0	10%	Y
100/02-07-066-10W5	\$90,090	Parted Rods	Oct	South Swan Hills	8.3	10%	Y
100/02-20-065-12W5	\$74,700	Hole in Tubing	Nov	Virginia Hills	14.9	10%	Y
100/04-07-065-12W5	\$75,520	Parted Rods	Nov	Virginia Hills	10.6	10%	Y
100/16-29-064-12W5	\$65,000	Parted Rods	Nov	Virginia Hills	9.0	10%	Y
100/02-24-065-14W5	\$120,000	Ptd Rods & Acid	Dec	Virginia Hills	20.0	10%	Y
100/06-32-064-12W5	\$90,000	Hole in Tubing	Dec	Virginia Hills	9.0	10%	Y
100/02-07-064-13W5	\$110,000	Hole in Tubing	Dec	Virginia Hills	12.5	10%	Y
<u>With Second Service Rig</u>							
100/02-24-062-20W5	\$80,000	Parted Rods	Sep	Kaybob	39.5	10%	Y
100/13-07-062-19W5	\$100,000	Parted Rods	Sep	Kaybob	34.2	10%	Y
100/07-24-062-20W5	\$100,000	Parted Rods	Sep	Kaybob	27.3	10%	Y
100/08-24-062-20W5	\$300,000	Seized ESP	Oct	Kaybob	51.3	10%	Y
100/04-18-062-19W5	\$325,000	Shorted ESP	Oct	Kaybob	52.7	10%	Y
100/11-07-062-19W5	\$275,000	Shorted ESP	Oct	Kaybob	25.0	10%	Y



Z DEVELOPMENT ACTIVITIES FORECAST BY WELL

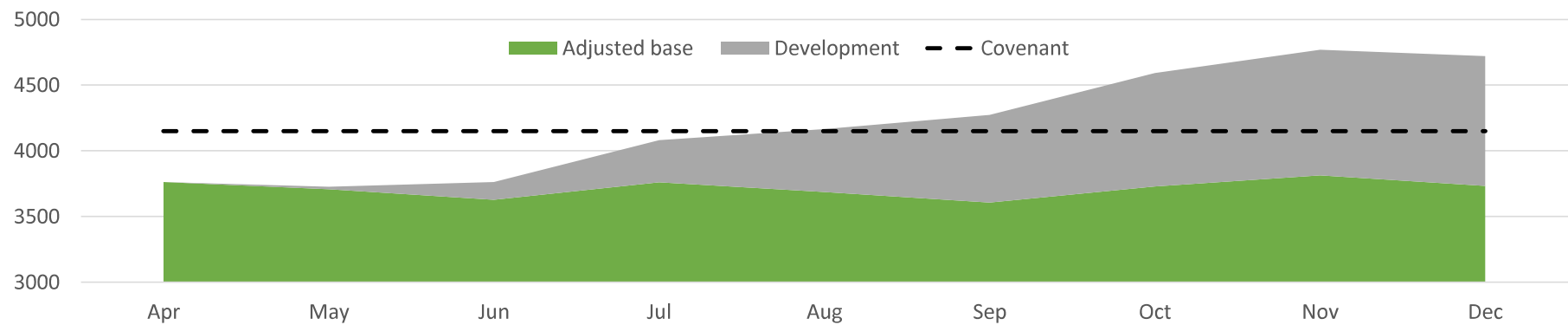
2023	Capital	Service Rig Activities	
May	\$ 72,000	0	
Jun	640,270	3	
Jul	905,405	3	
Aug	887,387	3	
Sep	888,108	6	} 2 rigs
Oct	1,170,270	6	
Nov	215,220	3	
Dec	320,000	3	
Total	\$ 5,098,659	27	



Z BASE + DEVELOPMENT PRODUCTION FORECAST

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Base	3793	3768	3718	3880	3835	3786	3938	4054	4004
Contingency – unforeseen downtime	-30	-60	-90	-120	-150	-180	-210	-240	-270
Adjusted base	3763	3708	3628	3760	3685	3606	3728	3814	3734
Development	0	18	134	321	479	668	864	956	987
Total	3763	3726	3762	4081	4165	4273	4592	4770	4720
Covenant (before ACP adjustment)	4150	4150	4150	4150	4150	4150	4150	4150	4150
Variance to covenant	-387	-424	-388	-69	15	123	442	620	570

Razor Development Plan - Post Closing of Financing





Swan Hills Co-Produced Geothermal Natural Gas Hybrid Power Project
Project Forecast to Completion

WBS Hierarchy - Area	WBS Hierarchy - WBS	March 2022 Incurred & Forecast	April 2022 Forecast	May 2022 Forecast	June 2022 Forecast	July 2022 Forecast	August 2022 Forecast	September 2022 Forecast	EAC
1 ORC Plant	Total	\$ 9,094,292	\$ 156,990	\$ 268,940	\$ 391,820	\$ 469,614	\$ 456,190	\$ 313,142	\$ 11,150,988
	1.1 Design & Engineering	\$ 3,272,425	\$ 22,011	\$ -	\$ 17,012	\$ 7,500	\$ -	\$ -	\$ 3,318,948
	1.2 Equipment Purchase & Refurbishment	\$ 2,014,460	\$ -	\$ 268,940	\$ 267,959	\$ 33,482	\$ -	\$ -	\$ 2,584,841
	1.3 Move and Disassembly of ORC	\$ 585,313	\$ -	\$ -	\$ 48,617	\$ -	\$ -	\$ -	\$ 633,929
	1.4 ORC Installation	\$ 3,222,094	\$ 134,979	\$ -	\$ 58,233	\$ 428,632	\$ 456,190	\$ 313,142	\$ 4,613,270
2 Natural Gas Turbine (NGT) Plant	Total	\$ 6,090,906	\$ 161,757	\$ 288,059	\$ 340,071	\$ 2,135,115	\$ 1,363,296	\$ 20,714	\$ 10,399,918
	2.1 Design & Engineering	\$ 790,948	\$ 129,750	\$ -	\$ 91,903	\$ 70,000	\$ 60,065	\$ 20,714	\$ 1,163,379
	2.2 Equipment Purchase & Refurbishment	\$ 4,867,123	\$ -	\$ -	\$ 126,236	\$ 207,225	\$ -	\$ -	\$ 5,200,584
	2.3 NGT Building and MCC Install	\$ 319,653	\$ 32,007	\$ 288,059	\$ 87,533	\$ 411,003	\$ 87,533	\$ -	\$ 1,225,787
	2.4 NGT installation	\$ 113,183	\$ -	\$ -	\$ 34,399	\$ 1,446,888	\$ 1,215,699	\$ -	\$ 2,810,169
3 Fuel Gas Supply	Total	\$ 5,757	\$ -	\$ -	\$ -	\$ 815,000	\$ -	\$ -	\$ 820,757
	3.1 Design & Engineering	\$ -	\$ -	\$ -	\$ -	\$ 260,000	\$ -	\$ -	\$ 260,000
	3.2 Pipeline- Procurement	\$ -	\$ -	\$ -	\$ -	\$ 155,000	\$ -	\$ -	\$ 155,000
	3.3 Pipeline- Construction	\$ 5,757	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ 405,757
4 Grid Interconnection	Total	\$ 1,388,714	\$ 130,627	\$ 55,983	\$ 116,927	\$ -	\$ -	\$ -	\$ 1,692,252
	4.1 Grid Interconnection- ATCO	\$ 1,246,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,246,696
	4.2 Telecom Infrastructure	\$ 142,018	\$ 130,627	\$ 55,983	\$ 116,927	\$ -	\$ -	\$ -	\$ 445,556
5 Site Wide or Common Costs	Total	\$ 929,472	\$ 9,000	\$ 9,000	\$ 218,000	\$ 205,148	\$ 162,869	\$ 649,000	\$ 2,182,488
	1.5 ORC Commissioning & Testing	\$ 56,250	\$ -	\$ -	\$ -	\$ 38,904	\$ -	\$ 87,500	\$ 182,654
	2.5 NGT Commissioning & Testing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 409,500	\$ 409,500
	3.4 Fuel Gas Commissioning & Testing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000
	4.5 Grid Connect Commissioning & Testing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,000	\$ 64,000
	5.1 Site Wide Construction Costs	\$ 873,222	\$ 9,000	\$ 9,000	\$ 218,000	\$ 166,244	\$ 162,869	\$ 18,000	\$ 1,456,334
6 Owners Costs	Total	\$ 2,114,659	\$ 32,000	\$ 32,000	\$ 77,000	\$ 79,000	\$ 80,000	\$ 79,000	\$ 2,493,659
	6.1 Home Office Costs	\$ 2,107,159	\$ 32,000	\$ 32,000	\$ 77,000	\$ 79,000	\$ 80,000	\$ 79,000	\$ 2,486,159
	6.2 Management Reserve	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,500
7 Early Works	Total	\$ 792,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 792,170
	7.1 Hex Pilot and Studies	\$ 792,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 792,170
8 Razor In-Kind Contributions	Total	\$ 5,750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,750,000
	8.1 Razor InKind Contributions	\$ 5,750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,750,000
Total		\$ 26,165,971	\$ 490,374	\$ 653,982	\$ 1,143,818	\$ 3,703,877	\$ 2,062,354	\$ 1,061,855	\$ 35,282,232
Contingency		\$ -	\$ -	\$ -	\$ 246,467	\$ 798,103	\$ 444,391	\$ 228,806	\$ 1,717,768
Total including Contingency		\$ 26,165,971	\$ 490,374	\$ 653,982	\$ 1,390,286	\$ 4,501,980	\$ 2,506,746	\$ 1,290,662	\$ 37,000,000

SCHEDULE 2.2

PERCENTAGE SHARES

Name/Address for Notice	Percentage Share of Term Loan 1 Commitment	Term Loan 1 Commitment on Term Loan 1 Advance Date	Percentage Share of Term Loan 2 Commitment	Term Loan 2 Commitment on Term Loan 2 Advance Date	Percentage Share of Term Loan 3 Commitment	Term Loan 3 Commitment on Term Loan 3 Advance Date
405 Dolomite LLC c/o Arena Investors, LP 405 Lexington Avenue 59th Floor New York, New York 10174 Attn: Greg White E-mail: gwhite@arenaco.com, reporting@arenaco.com and srolfe@arenaco.com	100%	\$11,042,617	100%	\$8,833,922.26	0%	\$0
Arena Limited SPV, LLC c/o Arena Investors, LP 405 Lexington Avenue 59th Floor New York, New York 10174 Attn: Greg White E-mail: gwhite@arenaco.com, reporting@arenaco.com and srolfe@arenaco.com	0%	\$0	0%	\$0	100%	\$11,042,403
	100.00%	\$11,042,617	100.00%	\$8,833,922.26	100.00%	\$11,042,403

SCHEDULE 2.6

PAYMENT SCHEDULE

Month	Principal Payment (\$)	Cumulative Amortization (%)
April 1, 2021	347,714	1.7%
May 1, 2021	328,374	3.4%
June 1, 2021	375,671	5.3%
July 1, 2021	354,219	7.1%
August 1, 2021	356,549	8.8%
September 1, 2021	392,030	10.8%
October 1, 2021	415,799.46	12.9%
November 1, 2021	428,992.46	15.1%
December 1, 2021	429,501.46	17.2%
January 1, 2022	587,417.46	20.2%
February 1, 2022	587,417.46	23.1%
March 1, 2022	587,417.46	26.1%
April 1, 2022	587,417.46	29.1%
May 1, 2022	587,417.46	32.0%
June 1, 2022	587,417.46	35.0%
July 1, 2022	587,417.46	37.9%
August 1, 2022	587,417.46	40.9%
September 1, 2022	587,417.46	43.8%

Month	Principal Payment (\$)	Cumulative Amortization (%)
October 1, 2022	587,417.46	46.8%
November 1, 2022	587,417.46	49.7%
December 1, 2022	587,417.46	52.7%
January 1, 2023	587,417.46	55.7%
February 1, 2023	587,417.46	58.6%
March 1, 2023	587,417.46	61.6%
April 1, 2023	587,417.46	64.5%
May 1, 2023	587,417.46	67.5%
June 1, 2023	587,417.46	70.4%
July 1, 2023	587,417.46	73.4%
August 1, 2023	587,417.46	76.4%
September 1, 2023	587,417.46	79.3%
October 1, 2023	587,417.46	82.3%
November 1, 2023	587,417.46	85.2%
December 1, 2023	587,417.46	88.2%
January 1, 2024	587,417.46	91.1%
February 1, 2024	587,417.46	94.1%
March 1, 2024	587,417.46	97.0%
April 1, 2024	587,417.46	100.0%
Total	\$ 19,876,539.26	100.0%

SCHEDULE 4.9

LITIGATION

Action No. 2001-08540

By Statement of Claim filed July 16, 2020, Canadian Natural Resources (a general partnership by its managing partner Canadian Natural Resources Limited) and Canadian Natural Resources Limited (collectively “CNRL”) commenced an action against Razor Energy Corp. (the “**Company**”) and each of its directors (the “**Directors**”), Doug Bailey, Sanjib Gill, Shanin Mottahed, Frank Muller, Vick Saxon and Stan Smith (the “**CNRL Action**”).

In the CNRL Action, CNRL seeks damages in the amount of \$4,576,645.53 plus interest, costs and such other relief as the Court may permit. The CNRL Action is based primarily on the alleged breach of several agreements alleged to govern joint operations of certain lands in which CNRL and the Company have working interests as well as the Company’s issuance of dividends to its shareholders given the alleged amount owed to CNRL.

The matter was dormant by agreement for a significant period of time while the parties attempted to resolve the dispute through negotiations. In October 2021, CNRL requested that the defendants file their statements of defence.

On October 29, 2021, the Company and the Directors filed a Statement of Defence jointly. The Statement of Defence, among other things, alleges that it was never indebted to CNRL in the amount claimed and that all amounts claimed by CNRL in July 2020 have since been paid and denies that the Company was prohibited from issuing dividends.

The Company also issued a Counterclaim on October 20, 2021 pursuant to which the Company claims various amounts from CNRL due to CNRL’s alleged wrongful misconduct in operating the lands at issue.

After the issuance of the Statement of Defence and Counterclaim, CNRL requested that no further steps be taken in the litigation so that the parties could re-engage in negotiations. Negotiations to resolve the dispute are underway, but the parties have not reached a settlement.

A defence to the Company’s Counterclaim has not been required of CNRL given its request to re-engage in negotiations.

CNRL has informed the Company of its intention to file an Amended Statement of Claim against the Company, which, *inter alios*, removes the Directors from the CNRL Action. In addition, CNRL intends to increase the damages sought from the Company to \$11,586,029.82 plus interest, costs and such other such other relief as the Court may permit.

SCHEDULE 4.13

ENVIRONMENTAL

- On or around November 26, 2021, a pipeline release was detected and contained at the 02-24-65-11 W5M location. The release was 30m³ of emulsion containing 90% produced water and 10% oil. Notice has been provided to all stakeholders and regulatory authorities, including the AER. The Parent Guarantor took immediate steps towards remediation in accordance with its ERP plans and in conjunction with all AER requirements.
- On or around January 11, 2021, a pipeline release was detected and contained at the 03-20-65-10 W5M location. The release was 200m³ of emulsion containing 90% produced water and 10% oil. Notice has been provided to all stakeholders and regulatory authorities, including the AER. The Parent Guarantor took immediate steps towards remediation in accordance with its ERP plans and in conjunction with all AER requirements.
- On or around July 14, 2022, a pipeline release was detected and contained at the 11-15-067-09 W5M location. The release was 15m³ of emulsion containing 80% produced water and 20% oil. Notice has been provided to all stakeholders and regulatory authorities, including the AER. The Parent Guarantor took immediate steps towards remediation in accordance with its ERP plans and in conjunction with all AER requirements.

SCHEDULE 4.22

SUBSIDIARIES

Legal Name	Shareholder/ Unitholder	Jurisdiction of Incorporation or Formation	Location of Chief Executive Office	Location of Business and Assets	Status
Razor Royalties Limited Partnership	Razor Energy Corp. and Razor Holdings GP Corp.	Alberta	Alberta	Alberta	Borrower
Razor Holdings GP Corp.	Razor Energy Corp.	Alberta	Alberta	Alberta	Loan Party
Razor Energy Corp.		Alberta	Alberta	Alberta	Loan Party
Blade Energy Services Corp.	Razor Energy Corp.	Alberta	Alberta	Alberta	Excluded
Razor Resources Corp.	Razor Energy Corp.	Alberta	Alberta	Alberta	Excluded
FutEra Power Corp.	Razor Energy Corp. and Seibu Investments Ltd.	Alberta	Alberta	Alberta	Limited Recourse Guarantor
Swan Hills Geothermal Power Corp.	FutEra Power Corp.	Alberta	Alberta	Alberta	Borrower and Guarantor

SCHEDULE 4.25

RELATED PARTY TRANSACTIONS

1. Royalty Purchase Agreement.
2. GORR Agreement.
3. Swan Hills Royalty Purchase Agreement.
4. Swan Hills GORR Agreement.
5. Indemnity and Contribution Agreement.

SCHEDULE 5.26

MINIMUM MONTHLY PRODUCTION

Month Ending	Net Boe/Month	Net Boe/Day
8/31/21	11,160	360
9/30/21	10,800	360
10/31/21	11,160	360
11/30/21	10,800	360
12/31/21	11,160	360
1/31/22	11,160	360
2/28/22	10,080	360
3/31/22	11,160	360
4/30/22	12,450	415
5/31/22	12,865	415
6/30/22	12,450	415
7/31/22	12,865	415
8/31/22	12,865	415
9/30/22	12,450	415
10/31/22	12,865	415
11/30/22	12,450	415
12/31/22	12,865	415
1/31/23	12,865	415
2/28/23	11,620	415
3/31/23	12,865	415
4/30/23	12,450	415
5/31/23	10,044	338
6/30/23	10,548	352
7/31/23	11,857	382
8/31/23	12,040	388
9/30/23	12,051	402
10/31/23	12,865	415
11/30/23	12,450	415
12/31/23	12,865	415
1/31/24	12,865	415
2/29/24	12,035	415
3/31/24	12,865	415
4/30/24	12,450	415
5/31/24	12,865	415
6/30/24	12,450	415
7/31/24	12,865	415
8/31/24	12,865	415
9/30/24	12,450	415
10/31/24	12,865	415
11/30/24	12,450	415
12/31/24	12,865	415

1/31/25	12,865	415
2/28/25	11,620	415
3/31/25	12,865	415
4/30/25	12,450	415
5/31/25	12,865	415
6/30/25	12,450	415
7/31/25	12,865	415
8/31/25	12,865	415
9/30/25	12,450	415
10/31/25	12,865	415
11/30/25	12,450	415
12/31/25	12,865	415
1/31/26	12,865	415
2/28/26	11,620	415

EXHIBIT A

[FORM OF NOTE]

PROMISSORY NOTE
(this "Note")

\$ _____, _____

FOR VALUE RECEIVED and WITHOUT GRACE (except to the extent, if any, provided in the Loan Agreement referred to hereinafter), the undersigned ("Maker") promises to pay to the order of _____ ("Payee"), at the Principal Office (as such term is defined in the Loan Agreement referred to hereinafter), the sum of _____ AND ___/100 DOLLARS (\$ _____) or so much thereof as may remain unpaid pursuant to the Second Amended and Restated Term Loan Agreement dated June 16, 2023 by and among, *inter alios*, Maker, Agent and the lenders signatory thereto or bound thereby from time to time, including, without limitation, Payee (as amended, supplemented, restated or otherwise modified from time to time, the "Loan Agreement"), together with interest at the rates and calculated as provided in the Loan Agreement.

Reference is hereby made to the Loan Agreement for matters governed thereby, including, without limitation, certain events which will entitle the holder hereof and/or Agent to accelerate the maturity of all amounts due hereunder. Capitalized terms used but not defined in this Note shall have the respective meanings assigned to such terms in the Loan Agreement.

This Note is issued pursuant to, is a "Note" under, and is payable as provided in the Loan Agreement. Maker may at any time prepay the full amount or any part of the Loan Balance evidenced by this Note pursuant to the provisions in the Loan Agreement, provided, such prepayment: (i) shall be subject to Sections 2.10 and 2.11 of the Loan Agreement and (ii) shall not, until this Note is fully paid and satisfied, excuse the payment as it becomes due of any payment on this Note provided for in the Loan Agreement.

Without being limited thereto or thereby, this Note is secured by the Security Documents.

THIS NOTE SHALL BE GOVERNED AND CONTROLLED BY THE LAWS OF THE PROVINCE OF ALBERTA, WITHOUT GIVING EFFECT TO PRINCIPLES THEREOF RELATING TO CONFLICTS OF LAW.

(Signatures appear on following pages)

MAKER:

**[RAZOR ROYALTIES LIMITED
PARTNERSHIP, by its general partner
RAZOR HOLDINGS GP CORP.]**

**[SWAN HILLS GEOTHERMAL
POWER CORP.]**

By: _____
Name:
Title:

EXHIBIT B

[FORM OF COMPLIANCE CERTIFICATE]

[Date]

405 Dolomite LLC
c/o Arena Investors, LP
405 Lexington Avenue
59th Floor
New York, New York 10174
Attn: Greg White

Re: Second Amended and Restated Term Loan Agreement dated June 16, 2023 by and among [**Razor Royalties Limited Partnership / Swan Hills Geothermal Power Corp.**] (the “**Borrower**”), the other Loan Parties from time to time party thereto, the lenders party thereto or bound thereby from time to time and 405 Dolomite LLC, as agent (as amended, supplemented, restated or otherwise modified from time to time, the “**Loan Agreement**”).

Ladies and Gentlemen:

Pursuant to applicable requirements of the Loan Agreement, the undersigned, as the Financial Officer of Borrower, acting on behalf of the Loan Parties, based on [**his/her**] familiarity with the books and records of the Loan Parties and [**his/her**] review of the provisions of the Loan Agreement and the other Loan Documents, hereby certifies to the Agent and the Lenders the following information as true and correct, in all material respects, as of the date hereof or for the period indicated, as the case may be:

1. [To the best of the knowledge of the undersigned, no Default or Event of Default (including, without limitation, any arising from any violation or alleged violation of any Environmental Law) exists as of the date hereof or has occurred since the date of our most recent previous certification to you, if any.]

[To the best of the knowledge of the undersigned, the following Defaults or Events of Default (including, without limitation, any arising from any violation or alleged violation of any Environmental Law) exist as of the date hereof or have occurred since the date of our most recent previous certification to you, if any, and the actions set forth below are being taken to remedy such circumstances:]

2. The compliance of the Loan Parties with the financial covenants of the Loan Agreement, as of the close of business on _____, for the fiscal month ended _____ or as of _____, as the case may be and as provided in the relevant Section of the Loan Agreement, is evidenced by the following:

(a) Section 5.26: Monthly Production

<u>Required</u>	<u>Actual</u>
Not less than the minimum monthly production required pursuant to <u>Schedule 5.26</u>	_____

(b) Section 6.16: Minimum Required Commodity Hedge Agreements

<u>Required</u>	<u>Actual</u>
<u>Not less than 80%</u>	_____ %

(c) Section 6.18: General and Administrative Expenses

<u>Required</u>	<u>Actual</u>
Not more than \$100,000 annual general and administrative expenses	\$ _____

3. The LLR of the Parent Guarantor as of _____ is _____. [The LLR of _____ as of _____ is _____.]
4. No Material Adverse Effect has occurred since the date of the consolidated Financial Statements of the Parent Guarantor as of _____ and for the period then ended.

Each capitalized term used but not defined herein shall have the meaning assigned to such term in the Loan Agreement.

Very truly yours,

**[RAZOR ROYALTIES LIMITED
PARTNERSHIP, by its general partner
RAZOR HOLDINGS GP CORP.]**

**[SWAN HILLS GEOTHERMAL
POWER CORP.]**

By: _____
Name:
Title:

EXHIBIT C

[FORM OF ASSIGNMENT AGREEMENT]

This ASSIGNMENT AGREEMENT (as amended, supplemented, restated or otherwise modified from time to time, this “**Agreement**”) is dated as of ____, ____, by and between _____ (the “**Assignor**”) and _____ (the “**Assignee**”).

RECITALS

WHEREAS, the Assignor is a party to the Second Amended and Restated Term Loan Agreement dated as of June 16, 2023 (as amended, supplemented, restated or otherwise modified from time to time, the “**Loan Agreement**”) by and among Razor Royalties Limited Partnership and Swan Hills Geothermal Power Corp., as borrowers (collectively, the “**Borrowers**”), the other Loan Parties from time to time party thereto, each of the lenders that is or becomes a party thereto as provided in Section 9.1(b) of the Loan Agreement (individually, together with its successors and assigns, a “**Lender**”, and collectively, together with their successors and assigns, the “**Lenders**”), and 405 Dolomite LLC, a Delaware limited liability company, as agent for the Lenders (in such capacity, together with its successors in such capacity, the “**Agent**”); and

WHEREAS, the Assignor proposes to sell, assign and transfer to the Assignee, and the Assignee proposes to purchase and assume from the Assignor, **[all][a portion]** of the Assignor’s Percentage Share of the Loan Balance and related rights under the Loan Agreement, all on the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

1.1 Definitions from Loan Agreement. All capitalized terms used but not defined herein have the respective meanings given to such terms in the Loan Agreement.

1.2 Additional Defined Terms. As used herein, the following terms have the following respective meanings:

“**Assigned Interest**” shall mean all of Assignor’s (in its capacity as a “Lender”) rights and obligations under the Loan Agreement and the other Loan Documents in respect of **[all of] [the portion of]** the Assignor’s Percentage Share of the Loan Balance [, **being the Assigned Loan Balance**] \$_____ and any right to receive payments on such portion of the Loan Balance.

“**Assigned Loan Balance**” shall mean the principal balance of \$_____.

“Assignment Date” shall mean _____, ____ (WHICH DATE SHALL BE THE DATE OF RECORDATION IN THE REGISTER BY THE AGENT).

1.3 References. References in this Agreement to Schedule, Exhibit, Article, or Section numbers shall be to Schedules, Exhibits, Articles, or Sections of this Agreement, unless expressly stated to the contrary. References in this Agreement to “hereby,” “herein,” “hereinafter,” “hereinabove,” “hereinbelow,” “hereof,” “hereunder” and words of similar import shall be to this Agreement in its entirety and not only to the particular Schedule, Exhibit, Article, or Section in which such reference appears. Except as otherwise indicated, references in this Agreement to statutes, sections, or regulations are to be construed as including all statutory or regulatory provisions consolidating, amending, replacing, succeeding, or supplementing the statute, section, or regulation referred to. References in this Agreement to “writing” include printing, typing, lithography, facsimile reproduction, and other means of reproducing words in a tangible visible form. References in this Agreement to agreements and other contractual instruments shall be deemed to include all exhibits and appendices attached thereto and all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement. References in this Agreement to Persons include their respective successors and permitted assigns.

1.4 Articles and Sections. This Agreement, for convenience only, has been divided into Articles and Sections; and it is understood that the rights and other legal relations of the parties hereto shall be determined from this instrument as an entirety and without regard to the aforesaid division into Articles and Sections and without regard to headings prefixed to such Articles or Sections.

1.5 Number and Gender. Whenever the context requires, reference herein made to the single number shall be understood to include the plural; and likewise, the plural shall be understood to include the singular. Definitions of terms defined in the singular or plural shall be equally applicable to the plural or singular, as the case may be, unless otherwise indicated. Words denoting sex shall be construed to include the masculine, feminine and neuter, when such construction is appropriate; and specific enumeration shall not exclude the general but shall be construed as cumulative.

1.6 Negotiated Transaction. Each party to this Agreement affirms to the other that it has had the opportunity to consult, and discuss the provisions of this Agreement with, independent counsel and fully understands the legal effect of each provision.

ARTICLE II SALE AND ASSIGNMENT

2.1 Sale and Assignment. On the terms and conditions set forth herein, effective on and as of the Assignment Date, the Assignor hereby sells, assigns and transfers to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, all of the right, title and interest of the Assignor in and to, and all of the obligations of the Assignor in respect of, the Assigned Interest. Such sale, assignment and transfer is without recourse and, except as expressly provided in this Agreement, without representation or warranty.

2.2 Assumption of Obligations. The Assignee agrees with the Assignor (for the express benefit of the Assignor and the Borrowers) that the Assignee will, from and after the Assignment Date, assume and perform all of the obligations of the Assignor in respect of the Assigned Interest. From and after the Assignment Date: (a) the Assignor shall be released from the Assignor's obligations in respect of the Assigned Interest, and (b) the Assignee shall be entitled to all of the Assignor's rights, powers and privileges under the Loan Agreement and the other Loan Documents in respect of the Assigned Interest.

2.3 Required Consent. By executing this Agreement as provided below, if required in accordance with Section 9.1(b) of the Loan Agreement, each of the Agent and the Borrowers hereby acknowledges notice of the transactions contemplated by this Agreement and consents to such transactions.

ARTICLE III PAYMENTS

3.1 Payments. As consideration for the sale, assignment and transfer contemplated by Section 2.1, the Assignee shall, on the Assignment Date, assume Assignor's obligations in respect of the Assigned Interest and pay to the Assignor an amount equal to the Assigned Loan Balance and all accrued and unpaid interest and fees with respect to the Assigned Interest as of the Assignment Date. Except as otherwise provided in this Agreement, all payments hereunder shall be made in Dollars and in immediately available funds, without setoff, deduction or counterclaim.

3.2 Allocation of Payments. The Assignor and the Assignee agree that (a) the Assignor shall be entitled to any payments of principal with respect to the Assigned Interest made prior to the Assignment Date, together with any interest and fees with respect to the Assigned Interest accrued prior to the Assignment Date, (b) the Assignee shall be entitled to any payments of principal with respect to the Assigned Interest made from and after the Assignment Date, together with any and all interest and fees with respect to the Assigned Interest accruing from and after the Assignment Date and (c) the Agent is authorized and instructed to allocate payments received by it for the account of the Assignor and the Assignee as provided in the foregoing clauses. Each party hereto agrees that it will hold any interest, fees or other amounts that it may receive to which the other party hereto shall be entitled pursuant to the preceding sentence for the account of such other party and pay, in like money and funds, any such amounts that it may receive to such other party promptly upon receipt.

3.3 Delivery of Notes. Promptly following the receipt by the Assignor of the consideration required to be paid under Section 3.1, the Assignor shall, in the manner contemplated by Section 9.1(b) of the Loan Agreement, (a) deliver to the Agent (or its counsel) the Note held by the Assignor and (b) notify the Agent to request that the Borrowers execute and deliver new Notes to the Assignor, if Assignor continues to be a Lender, and the Assignee, dated the Assignment Date in the appropriate respective principal amounts after giving effect to the sale, assignment and transfer contemplated hereby.

3.4 Further Assurances. The Assignor and the Assignee hereby agree to execute and deliver such other instruments, and take such other actions, as either party may reasonably request in connection with the transactions contemplated by this Agreement.

ARTICLE IV
CONDITIONS PRECEDENT

The effectiveness of the sale, assignment and transfer contemplated hereby is subject to the satisfaction of each of the following conditions precedent:

- (a) the execution and delivery of this Agreement by the Assignor and the Assignee;
- (b) the receipt by the Assignor of the payments required to be made under Section 3.1; and
- (c) the receipt by the Agent of all documentation and other information with respect to the assignee that is required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the USA Patriot Act and *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of Assignor. The Assignor represents and warrants to the Assignee as follows:

- (a) it has all requisite power and authority, and has taken all action necessary to execute and deliver this Agreement and to fulfill its obligations under, and consummate the transactions contemplated by, this Agreement;
- (b) the execution, delivery and compliance with the terms hereof by the Assignor and the delivery of all instruments required to be delivered by it hereunder do not and will not violate any Requirement of Law applicable to it;
- (c) this Agreement has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of the Assignor, enforceable against it in accordance with its terms;
- (d) all approvals and authorizations of, all filings with and all actions by any Governmental Authority necessary for the validity or enforceability of its obligations under this Agreement have been obtained;
- (e) the Assignor has good title to, and is the sole legal and beneficial owner of, the Assigned Interest, free and clear of all Liens, claims, participations or other charges of any nature whatsoever; and
- (f) the transactions contemplated by this Agreement are commercial banking transactions entered into in the ordinary course of the banking business of the Assignor.

5.2 Disclaimer. Except as expressly provided in Section 5.1 hereof, the Assignor does not make any representation or warranty, nor shall it have any responsibility to the Assignee, with

respect to the accuracy of any recitals, statements, representations or warranties contained in the Loan Agreement or in any other Loan Document or for the value, validity, effectiveness, genuineness, execution, legality, enforceability or sufficiency of the Loan Agreement, the Notes or any other Loan Document or for any failure by the Loan Parties or any other Person (other than Assignor) to perform any of its obligations thereunder or for the existence, value, perfection or priority of any collateral security or the financial or other condition of the Loan Parties or any other Person, or any other matter relating to the Loan Agreement or any other Loan Document or any extension of credit thereunder.

5.3 Representations and Warranties of Assignee. The Assignee represents and warrants to the Assignor as follows:

(a) it has all requisite power and authority, and has taken all action necessary to execute and deliver this Agreement and to fulfill its obligations under, and consummate the transactions contemplated by, this Agreement;

(b) the execution, delivery and compliance with the terms hereof by the Assignee and the delivery of all instruments required to be delivered by it hereunder do not and will not violate any Requirement of Law applicable to it;

(c) this Agreement has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of the Assignee, enforceable against it in accordance with its terms;

(d) all approvals and authorizations of, all filings with and all actions by any Governmental Authority necessary for the validity or enforceability of its obligations under this Agreement have been obtained;

(e) the Assignee has received copies of the Loan Agreement and the other Loan Documents, as well as copies of all Financial Statements previously provided by the Borrowers in satisfaction of obligations under the Loan Agreement.

(f) the Assignee has fully reviewed the terms of the Loan Agreement and the other Loan Documents and has independently and without reliance upon the Assignor, and based on such information as the Assignee has deemed appropriate, made its own credit analysis and decision to enter into this Agreement;

(g) if the Assignee is not incorporated under the laws of the United States of America or a state thereof, the Assignee has contemporaneously herewith delivered to the Agent and the Borrowers such documents as are required by Section 2.8(f) of the Loan Agreement; and

(h) the transactions contemplated by this Agreement are commercial banking transactions entered into in the ordinary course of the banking business of the Assignee.

ARTICLE VI
MISCELLANEOUS

6.1 Notices. All notices and other communications provided for herein (including any modifications of, or waivers, requests or consents under, this Agreement) shall be given or made in writing (including by telecopy) to the intended recipient at its “Address for Notices” specified below its name on the signature pages hereof or, as to either party, at such other address as shall be designated by such party in a notice to the other party.

6.2 Amendment, Modification or Waiver. No provision of this Agreement may be amended, modified or waived except by an instrument in writing signed by the Assignor and the Assignee, and consented to by the Agent and, so long as there exists no Default or Event of Default at the time of any such amendment, modification or waiver, the Borrowers.

6.3 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. The representations and warranties made herein by the Assignee are also made for the benefit of the Agent, and the Assignee agrees that the Agent is entitled to rely upon such representations and warranties.

6.4 Assignments. Neither party hereto may assign any of its rights or obligations hereunder except in accordance with the terms of the Loan Agreement.

6.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be identical and all of which, taken together, shall constitute one and the same instrument, and each of the parties hereto may execute this Agreement by signing any such counterpart.

6.6 Governing Law. This Agreement (including the validity and enforceability hereof) shall be governed by, and construed in accordance with, the laws of the Province of Alberta, other than the conflict of laws rules thereof.

6.7 Expenses. To the extent not paid by the Borrowers pursuant to the terms of the Loan Agreement, each party hereto shall bear its own expenses in connection with the execution, delivery and performance of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement to be executed and delivered as of the date first above written.

ASSIGNOR

By: _____

Name:

Title:

Address for Notices:

Telephone No.: _____

Attention: _____

ASSIGNEE

By: _____

Name:

Title:

Address for Notices:

Telephone No.: _____

Attention: _____

**[If required in accordance with Section 9.1(b)
of the Loan Agreement]**

ACKNOWLEDGED AND CONSENTED TO:

AGENT

405 DOLOMITE LLC,
as Agent

By: _____

Name: _____

Title: _____

BORROWER:

**RAZOR ROYALTIES LIMITED
PARTNERSHIP, by its general partner
RAZOR HOLDINGS GP CORP., as
Borrower**

By: _____

Name: _____

Title: _____

BORROWER:

**SWAN HILLS GEOTHERMAL
POWER CORP.**

By: _____

Name: _____

Title: _____

EXHIBIT D

[FORM OF ENVIRONMENTAL CERTIFICATE]

[Date]

405 Dolomite LLC
c/o Arena Investors, LP
405 Lexington Avenue
59th Floor
New York, New York 10174
Attn: Greg White

Re: Second Amended and Restated Term Loan Agreement dated June 16, 2023 by and among [**Razor Royalties Limited Partnership / Swan Hills Geothermal Power Corp.**] (the “**Borrower**”), the other Loan Parties from time to time party thereto, the lenders party thereto or bound thereby from time to time and 405 Dolomite LLC, as agent (as amended, supplemented, restated or otherwise modified from time to time, the “**Loan Agreement**”)

Ladies and Gentlemen:

This Environmental Certificate is given pursuant to Section 5.3 of the Loan Agreement. Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Loan Agreement.

1. I am the duly appointed [●] of the Borrower and hereby make the following certifications in such capacity for and on behalf of the Loan Parties and not in my personal capacity and without assuming any personal liability whatsoever.
2. The following certifications are made to the best of my knowledge after due enquiry. My due enquiry has been limited to discussions and correspondence with responsible officers and staff of the Loan Parties to confirm that the internal environmental reporting and response procedures of the Loan Parties have been followed in all material respects as they relate to the certifications made herein and that the matters herein set forth are true and correct in all material respects, and that matters reported on by such officers and staff are true and correct in all material respects.
3. The Loan Parties have complied with all Environmental Laws, relating to its assets, business and operations except to the extent that the failure to do so would not in the aggregate have a Material Adverse Effect, and:
 - (a) the Loan Parties and each Subsidiary possesses all environmental licenses, permits and other authorizations from the applicable Governmental Authorities necessary to conduct its business including operations at its properties and facilities, other than such licenses, permits and other authorizations from the applicable Governmental Authority the absence of which would not in the aggregate have a Material Adverse Effect;

- (b) No Loan Party has received any notices to the effect that the operations or the assets of such Loan Party on its real property are: (i) not in full compliance with all Environmental Laws except to the extent that any failure to do so would not have, in the aggregate, a Material Adverse Effect or (ii) the subject of any federal or provincial remedial or control action or order, or any investigation or evaluation as to whether any remedial action is needed to respond to a release or threatened release of any Hazardous Substances into the environment or any facility or structure, except to the extent any failure to comply would not have a Material Adverse Effect; and
- (c) No Loan Party has received any notices or claims that it is or may be liable to any Person in any material amount (including any individual or government, whether federal, provincial, city or municipal) as a result of the Release of Hazardous Substances or threatened Release of Hazardous Substances into the environment or into any facility or structure nor have there been any Release of Hazardous Substances, spills or discharges of any Hazardous Substances into the environment or into any facility or structure, which after lapse of time, would give rise to any Environmental Complaint which would have a Material Adverse Effect nor are the Loan Parties aware that there is any basis for any such Environmental Complaint being commenced [nor has any Loan Party ever been convicted of any offence in respect of Environmental Complaint.] [Except as described below:]

4. This Environmental Certificate is signed by the undersigned officer of the Borrower in his capacity as an officer of the Borrower without personal liability to the undersigned officer.

DATED this _____ day of _____, 20____

Per: _____
Name:
Title:

This is Exhibit "B"

Referred to in the Affidavit of

GREGORY WHITE

Sworn before me this 5th day of

November, 2024

Marjorie Chavez

Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

CONTINUING AGREEMENT OF GUARANTEE AND SURETYSHIP

THIS CONTINUING AGREEMENT OF GUARANTEE AND SURETYSHIP (this "**Guarantee**") dated as of this 16th day of February, 2021, is given by **RAZOR ENERGY CORP.**, an Alberta corporation (the "**Parent Guarantor**") and by **EACH OF THE OTHER PERSONS WHICH BECOME GUARANTORS HEREUNDER FROM TIME TO TIME** (collectively with Parent Guarantor, the "**Guarantors**") in favor of **405 DOLOMITE LLC**, as administrative agent for the Lenders (in such capacity, the "**Agent**").

WHEREAS Razor Royalties Limited Partnership, an Alberta limited partnership (the "**Borrower**"), the Parent Guarantor, as parent guarantor, the lenders that are parties thereto, as lenders (the "**Lenders**") and the Agent, as administrative agent, are parties to a term loan agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**");

AND WHEREAS the Guarantors have agreed to guarantee the payment of, and performance by the Borrower of all present and future indebtedness, liabilities and obligations of the Borrower to any one or more of the Lenders pursuant to the Credit Agreement.

NOW THEREFORE in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parent Guarantor agrees with the Agent, for and on behalf of itself and the Lenders, as follows:

1. Interpretation

- (a) The division of this Agreement into Sections and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (b) The terms "**this Agreement**", "**hereof**", "**hereunder**" and similar expressions refer to this Agreement and not to any particular Section or other portion hereof and include any amendments or supplements hereto. Unless otherwise stated, references herein to Sections are to Sections of this Agreement.
- (c) Words importing the singular number shall include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.
- (d) Capitalized terms used but not otherwise defined herein will have the meanings set out in the Credit Agreement.

2. Guaranteed Obligations

To induce the Agent and the Lenders to make loans and grant other financial accommodations to the Borrower under the Credit Agreement, each Guarantor hereby, jointly and severally, unconditionally and irrevocably guarantees to the Agent for and on behalf of itself and

the Lenders, and becomes surety, as though it was a primary obligor for, the full and punctual payment and performance when due (whether on demand, at stated maturity, by acceleration, or otherwise and including any amounts which would become due but for the operation of an automatic stay under the *Bankruptcy and Insolvency Act* (Canada) or any similar laws of any country or jurisdiction) of all Obligations, including, without limiting the generality of the foregoing, all obligations, liabilities, and indebtedness from time to time of the Borrower or any other Guarantor to the Agent or any of the Lenders or any Affiliate of any Lender under or in connection with the Credit Agreement or any other Loan Document, whether for principal, interest, fees, indemnities, expenses, or otherwise, and all renewals, extensions, amendments, refinancings or refundings thereof, whether such obligations, liabilities, or indebtedness are direct or indirect, secured or unsecured, joint or several, absolute or contingent, due or to become due, whether for payment or performance, now existing or hereafter arising (and including obligations, liabilities, and indebtedness arising or accruing after the commencement of any Insolvency Proceeding with respect to the Borrower or any Guarantor or which would have arisen or accrued but for the commencement of such Insolvency Proceeding, even if the claim for such obligation, liability, or indebtedness is not enforceable or allowable in such Insolvency Proceeding, and including all Obligations, liabilities, and Indebtedness arising from any extensions of credit under or in connection with any Loan Document from time to time, regardless of whether any such extensions of credit are in excess of the amount committed under or contemplated by the Loan Documents or are made in circumstances in which any condition to the extension of credit is not satisfied) (all of the foregoing obligations, liabilities and indebtedness are referred to herein collectively as the "**Guaranteed Obligations**" and each as a "**Guaranteed Obligation**"). Notwithstanding anything to the contrary contained herein, Guaranteed Obligations shall specifically exclude any and all Excluded Swap Obligations. Without limitation of the foregoing, any of the Guaranteed Obligations shall be and remain Guaranteed Obligations entitled to the benefit of this Guarantee if the Agent or any of the Lenders (or any one or more assignees or transferees thereof) from time to time assigns or otherwise transfers all or any portion of their respective rights and obligations under the Loan Documents, or any other Guaranteed Obligations, to any other Person in accordance with the terms of the Credit Agreement.

3. Guarantee

Each Guarantor hereby promises to pay and perform all such Guaranteed Obligations forthwith upon demand by the Agent (if such Guaranteed Obligations are then due and payable). All payments made hereunder shall be made by each Guarantor in immediately available funds in U.S. Dollars and shall be made without setoff, counterclaim, withholding, or other deduction of any nature.

4. Obligations Absolute

The obligations of the Guarantors hereunder shall not be discharged or impaired or otherwise diminished by the failure, default, omission, or delay, willful or otherwise, by any Lender, the Agent, or the Borrower, any Guarantor, or any other obligor on any of the Guaranteed Obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of any Guarantor or would otherwise operate as a discharge of any Guarantor as a matter of law or equity. Each of the Guarantors agrees

that the Guaranteed Obligations will be paid and performed strictly in accordance with the terms of the Loan Documents. Without limiting the generality of the foregoing, each Guarantor hereby consents to, at any time and from time to time, and the joint and several obligations of each Guarantor hereunder shall not be diminished, terminated, or otherwise similarly affected by any of the following:

- (a) any lack of genuineness, legality, validity, enforceability or allowability (in an Insolvency Proceeding, or otherwise), or any avoidance or subordination, in whole or in part, of any Loan Document or any of the Guaranteed Obligations and regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of the Guaranteed Obligations, any of the terms of the Loan Documents, or any rights of the Agent, the Lenders or their successors and permitted assigns;
- (b) any increase, decrease, or change in the amount, nature, type or purpose of any of, or any release, surrender, exchange, compromise or settlement of any of the Guaranteed Obligations (whether or not contemplated by the Loan Documents as presently constituted); any change in the time, manner, method, or place of payment or performance of, or in any other term of, any of the Guaranteed Obligations; any execution or delivery of any additional Loan Documents; or any amendment, modification or supplement to, renewals, extensions, or refinancing or refunding of, any Loan Document or any of the Guaranteed Obligations;
- (c) any failure to assert any breach of or default under any Loan Document or any of the Guaranteed Obligations; any extensions of credit in excess of the amount committed under or contemplated by the Loan Documents, or in circumstances in which any condition to such extensions of credit has not been satisfied; any other exercise or non-exercise, or any other failure, omission, breach, default, delay, or wrongful action in connection with any exercise or non-exercise, of any right or remedy against the Borrower or any other Person under or in connection with any Loan Document or any of the Guaranteed Obligations; any refusal of payment or performance of any of the Guaranteed Obligations, whether or not with any reservation of rights against any Guarantor; or any application of collections (including but not limited to collections resulting from realization upon any direct or indirect security for the Guaranteed Obligations) to other obligations, if any, not entitled to the benefits of this Guarantee, in preference to Guaranteed Obligations entitled to the benefits of this Guarantee, or if any collections are applied to Guaranteed Obligations, any application to particular Guaranteed Obligations;
- (d) any taking, exchange, amendment, modification, waiver, supplement, termination, subordination, compromise, release, surrender, loss, or impairment of, or any failure to protect, perfect, or preserve the value of, or any enforcement of, realization upon, or exercise of rights, or remedies under or in connection with, or any failure, omission, breach, default, delay, or wrongful action by the Agent, any Lender or any other Person in connection with the enforcement of, realization upon, or exercise of rights or remedies under or in connection with, or, any other action

or inaction by the Agent, any Lender or any other Person in respect of, any direct or indirect security for any of the Guaranteed Obligations. As used in this Guarantee, "direct or indirect security" for the Guaranteed Obligations, and similar phrases, includes any collateral security, guaranty, suretyship, letter of credit, capital maintenance agreement, put option, subordination agreement, or other right or arrangement of any nature providing direct or indirect assurance of payment or performance of any of the Guaranteed Obligations, made by or on behalf of any Person;

- (e) any merger, consolidation, liquidation, dissolution, winding-up, charter revocation, or forfeiture, or other change in, restructuring or termination of the corporate structure or existence of, the Borrower or any other Person; any Insolvency Proceeding with respect to the Borrower or any other Person; or any action taken, or election made, by the Agent or any Lender, including but not limited to any Insolvency Proceeding, the Borrower or any other Person in connection with any such Insolvency Proceeding;
- (f) any defense, setoff, or counterclaim which may at any time be available to or be asserted by the Borrower or any other Person with respect to any Loan Document or any of the Guaranteed Obligations; or any discharge by operation of law or release of the Borrower or any other Person from the performance or observance of any Loan Document or any of the Guaranteed Obligations; or
- (g) any other event or circumstance, whether similar or dissimilar to the foregoing, and whether known or unknown, which might otherwise constitute a defense available to, or limit the liability of, any Guarantor, a guarantor or a surety, excepting only indefeasible payment in full of the Guaranteed Obligations.

Each Guarantor acknowledges, consents, and agrees that new Guarantors may join in this Guarantee pursuant to Section 6.19 of the Credit Agreement and each Guarantor affirms that its obligations shall continue hereunder undiminished.

5. Waivers, etc.

Each of the Guarantors hereby waives any defense to or limitation on its obligations under this Guarantee arising out of or based on any event or circumstance referred to in Section 4 hereof. Without limitation and to the fullest extent permitted by applicable law, each Guarantor waives each of the following:

- (a) all notices, disclosures and demand of any nature which otherwise might be required from time to time to preserve intact any rights against any Guarantor, including the following: (i) any notice of any event or circumstance described in Section 4 hereof; any notice required by any law, regulation or order now or hereafter in effect in any jurisdiction; any notice of nonpayment, nonperformance, dishonor, or protest under any Loan Document or any of the Guaranteed Obligations; (ii) any notice of the incurrence of any Guaranteed Obligation; (iii)

any notice of any default or any failure on the part of the Borrower or any other Person to comply with any Loan Document or any of the Guaranteed Obligations or any direct or indirect security for any of the Guaranteed Obligations; and (iv) any notice of any information pertaining to the business, operations, condition (financial or otherwise) or prospects of the Borrower or any other Person;

- (b) any right to any marshalling of assets, to the filing of any claim against the Borrower or any other Person in the event of any Insolvency Proceeding, or to the exercise against the Borrower or any other Person of any other right or remedy under or in connection with any Loan Document or any of the Guaranteed Obligations or any direct or indirect security for any of the Guaranteed Obligations; any requirement of promptness or diligence on the part of the Agent or the Lenders, or any of them, or any other Person; any requirement to exhaust any remedies under or in connection with, or to mitigate the damages resulting from default under, any Loan Document or any of the Guaranteed Obligations or any direct or indirect security for any of the Guaranteed Obligations; any benefit of any statute of limitations; and any requirement of acceptance of this Guarantee or any other Loan Document, and any requirement that any Guarantor receive notice of any such acceptance;
- (c) any defense or other right arising by reason of any law now or hereafter in effect in any jurisdiction pertaining to election of remedies (including but not limited to anti-deficiency laws, "one action" laws or the like), or by reason of any election of remedies or other action or inaction by the Agent or any Lenders (including, but not limited to, commencement or completion of any judicial proceeding or nonjudicial sale or other action in respect of collateral security for any of the Guaranteed Obligations), which results in denial or impairment of the right of the Agent or any Lender to seek a deficiency against the Borrower or any other Person or which otherwise discharges or impairs any of the Guaranteed Obligations; and
- (d) any and all defenses it may now or hereafter have based on principles of suretyship, impairment of collateral or the like.

6. Reinstatement

This Guarantee is a continuing obligation of the Guarantors and shall remain in full force and effect notwithstanding that no Guaranteed Obligations may be outstanding from time to time and notwithstanding any other event or circumstance. Upon indefeasible payment in full of the Guaranteed Obligations, this Guarantee shall terminate; provided, however, that this Guarantee shall continue to be effective or may be reinstated, as the case may be, any time payment of any of the Guaranteed Obligations is rescinded, recouped, avoided, or must otherwise be returned or released by any Lender or the Agent upon or during an Insolvency Proceeding affecting the Borrower or for any other reason whatsoever, all as though such payment had not been made and was due and owing.

7. Subrogation

Each Guarantor waives and agrees it will not exercise any rights against Borrower or any other Guarantor arising in connection with, or any Collateral securing, the Guaranteed Obligations (including rights of subrogation, contribution, and the like) until the Guaranteed Obligations have been indefeasibly paid in full. If any amount shall be paid to any Guarantor by or on behalf of the Borrower or any other Guarantor by virtue of any right of subrogation, contribution, or the like, such amount shall be deemed to have been paid to such Guarantor for the benefit of, and shall be held in trust for the benefit of, the Agent, for and on behalf of itself and the Lenders, and shall forthwith be paid to the Agent to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms of the Credit Agreement.

8. No Stay

Without limitation of any other provision of this Guarantee, if any declaration of default or acceleration or other exercise or condition to exercise of rights or remedies under or with respect to any Guaranteed Obligation shall at any time be stayed, enjoined, or prevented for any reason (including but not limited to stay or injunction resulting from the pendency against the Borrower or any other Person of an Insolvency Proceeding), the Guarantors agree that, for the purposes of this Guarantee and their obligations hereunder, the Guaranteed Obligations shall be deemed to have been declared in default or accelerated, and such other exercise or conditions to exercise shall be deemed to have been taken or met.

9. Taxes

Each Guarantor hereby agrees to be bound by the provisions of Section 2.5 of the Credit Agreement and shall make all payments free and clear of Taxes as provided therein.

10. Notices

Each Guarantor agrees that all notices, statements, requests, demands and other communications under this Guarantee shall be given to such Guarantor at the address set forth in the Credit Agreement or in a joinder agreement given under the Credit Agreement and in the manner provided in Section 9.3 of the Credit Agreement.

11. Counterparts; Telecopy; Electronic Signatures

This Guarantee may be executed in any number of counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. Each Guarantor acknowledges and agrees that a telecopy or other electronic transmission to the Agent purporting to be signed on behalf of any Guarantor shall constitute effective and binding execution and delivery hereof by such Guarantor.

12. Setoff, Default Payments by Borrower

- (a) Upon the occurrence and during the continuance of any Event of Default, the Agent and each of the Lenders are authorized by the Guarantor at any time and from time

to time and may, to the fullest extent permitted by law, set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Agent or the Lenders to or for the credit or the account of the Guarantor against any and all of the obligations of the Guarantor now or hereafter existing irrespective of whether or not (i) the Lenders or the Agent have made any demand under this Guarantee, or (ii) any of the obligations comprising the Guaranteed Obligations are contingent or unmatured. The Agent and the Lenders agree promptly to notify the Guarantor after any such set-off and application made by the relevant Agent or Lender provided that the failure to give notice shall not affect the validity of the set-off and application. The rights of the Agent and the Lenders under this Section 12 are in addition and without prejudice to and supplemental to other rights and remedies which the Agent and the Lenders may have.

- (b) Upon the occurrence and during the continuation of any default under any Guaranteed Obligation, if any amount shall be paid to any Guarantor by or for the account of the Borrower, such amount shall be held in trust for the benefit of the Agent, for and on behalf of itself and the Lenders, and shall forthwith be paid to the Agent to be credited and applied to the Guaranteed Obligations when due and payable.

13. Successors and Assigns

This Guarantee shall be binding upon each Guarantor, its successors and assigns, and shall inure to the benefit of and be enforceable by the Agent, for and on behalf of itself and the Lenders, and their successors and permitted assigns; provided, however, that no Guarantor may assign or transfer any of its rights or obligations hereunder or any interest herein and any such purported assignment or transfer shall be null and void. Without limitation of the foregoing, the Agent or any Lender (and any successive assignee or transferee), from time to time may assign or otherwise transfer all or any portion of its rights or obligations under the Loan Documents (including all or any portion of any commitment to extend credit), or any other Guaranteed Obligations, to any other person, in accordance with the terms of the Credit Agreement, and such Guaranteed Obligations (including any Guaranteed Obligations resulting from extension of credit by such other Person under or in connection with the Loan Documents) shall be and remain Guaranteed Obligations entitled to the benefit of this Guarantee, and to the extent of its interest in such Guaranteed Obligations such other Person shall be vested with all the benefits in respect thereof granted to the Agent and the Lenders in this Guarantee or otherwise.

14. Governing Law; Submission to Jurisdiction

- (a) Governing Law. This Guarantee shall be governed by and shall be construed in accordance with laws of the Province of Alberta, without giving effect to principles thereof relating to conflicts of law.
- (b) Jurisdiction of Venue. The Guarantors, the Agent and Lenders irrevocably and unconditionally agree that any suit, action or other legal proceeding (collectively, a

"Suit") instituted by the Agent or the Lenders arising out of this Guarantee shall be brought and adjudicated only in Alberta, and each Guarantor waives and agrees not to assert by way of motion, as a defence or otherwise at any such Suit, any claim that such Guarantor is not subject to the jurisdiction of the above courts, that such Suit is brought in an inconvenient forum or that the venue of such Suit is improper.

15. Severability; Modification to Conform to Law

- (a) It is the intention of the parties that this Guarantee be enforceable to the fullest extent permissible under applicable law, but that the unenforceability (or modification to conform to such law) of any provision or provisions hereof shall not render unenforceable, or impair, the remainder hereof. If any provision in this Guarantee shall be held invalid or unenforceable, in whole or in part in any jurisdiction, this Guarantee shall, as to such jurisdiction, be deemed amended to modify or delete, as necessary, the offending provision or provisions and to alter the bounds thereof in order to render it or them valid and enforceable to the maximum extent permitted by applicable law, without in any manner affecting the validity or enforceability of such provision or provisions in any other jurisdiction or the remaining provisions hereof in any jurisdiction.
- (b) Without limiting the preceding subsection (a), to the extent that applicable law (including applicable laws pertaining to fraudulent conveyance or fraudulent or preferential transfer) otherwise would render the full amount of the Guarantor's obligations hereunder invalid, voidable, or unenforceable on account of the amount of a Guarantor's aggregate liability under this Guarantee, then, notwithstanding any other provision of this Guarantee to the contrary, the aggregate amount of such liability shall, without any further action by the Agent, any Lender, such Guarantor or any other Person, be automatically limited and reduced to the highest amount which is valid and enforceable as determined in such action or proceeding, which (without limiting the generality of the foregoing) may be an amount which is equal to the greater of:
 - (i) the fair consideration actually received by such Guarantor under the terms and as a result of the Loan Documents and the value of the benefits described in this Section 15(b) hereof, including (and to the extent not inconsistent with applicable federal and state laws affecting the enforceability of guaranties) distributions, commitments, and advances made to or for the benefit of such Guarantor with the proceeds of any credit extended under the Loan Documents, or
 - (ii) the excess of (A) the amount of the fair value of the assets of such Guarantor as of the date of this Guarantee as determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors as in effect on the date hereof, over (B) the amount of all liabilities of such Guarantor as of the date of this Guarantee, also as determined on the basis

of applicable federal and state laws governing the insolvency of debtors as in effect on the date hereof.

- (c) Notwithstanding anything to the contrary in this Section 15 or elsewhere in this Guarantee, this Guarantee shall be presumptively valid and enforceable to its full extent in accordance with its terms, as if this Section 15 (and references elsewhere in this Guarantee to enforceability to the fullest extent permitted by law) were not a part of this Guarantee, and in any related litigation the burden of proof shall be on the party asserting the invalidity or unenforceability of any provision hereof or asserting any limitation on any Guarantor's obligations hereunder as to each element of such assertion.

16. Additional Guarantors

At any time after the initial execution and delivery of this Guarantee to the Agent, additional Persons may become parties to this Guarantee and thereby acquire the duties and rights of being Guarantors hereunder by executing and delivering to the Agent a joinder agreement pursuant to the Credit Agreement. No notice of the addition of any Guarantor shall be required to be given to any pre-existing Guarantor and each Guarantor hereby consents thereto.

17. Joint and Several Obligations

The obligations and additional liabilities of the Guarantors under this Guarantee are joint and several obligations of the Guarantors, and each Guarantor hereby waives to the full extent permitted by law any defense it may otherwise have to the payment and performance of the Obligations that its liability hereunder is limited and not joint and several. Each Guarantor acknowledges and agrees that the foregoing waivers and those set forth below serve as a material inducement to the agreement of the Agent and the Lenders to enter into the Credit Agreement and that the Agent and the Lenders are relying on each specific waiver and all such waivers in entering into this Guarantee. The undertakings of each Guarantor hereunder secure the obligations of itself and the other Guarantors. The Agent may, in its sole discretion, elect to enforce this Guarantee against any Guarantor without any duty or responsibility to pursue any other Guarantor and such election by the Agent shall not be a defense to any action the Agent may elect to take against any Guarantor. The Agent hereby reserves all rights against each Guarantor.

18. Receipt of Credit Agreement, Other Loan Documents, Benefits

- (a) Each Guarantor hereby acknowledges that it has received a copy of the Credit Agreement and the other Loan Documents, and each Guarantor certifies that the representations and warranties made therein with respect to such Guarantor are true and correct. Further, each Guarantor acknowledges and agrees to perform, comply with, and be bound by all of the provisions of the Credit Agreement and the other Loan Documents which are applicable to such Guarantor.
- (b) Each Guarantor hereby acknowledges, represents, and warrants that it receives synergistic benefits by virtue of its affiliation with Borrower and the other

Guarantors and that it will receive direct and indirect benefits from the financing arrangements contemplated by the Credit Agreement and that such benefits, together with the rights of contribution and subrogation that may arise in connection herewith are a reasonably equivalent exchange of value in return for providing this Guarantee.

19. Miscellaneous

- (a) Amendments, Waivers. No amendment to any provision of this Guarantee shall be effective unless executed in writing by each of the Guarantors and the Agent. No waiver of any provision of this Guarantee, and no consent to any departure by any Guarantor herefrom, shall in any event be effective unless executed in writing by the Agent and each Lender. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No delay or failure of the Agent or any Lender in exercising any right or remedy under this Guarantee shall operate as a waiver thereof; nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies of the Agent and the Lenders under this Guarantee are cumulative and not exclusive of any other rights or remedies available hereunder, under any other agreement or instrument, by law, or otherwise.
- (b) Telecommunications. Each Lender and the Agent shall be entitled to rely on the authority of any individual making any telecopy, electronic or telephonic notice, request, or signature without the necessity of receipt of any verification thereof.
- (c) Expenses. Each Guarantor unconditionally agrees to pay all out-of-pocket costs and expenses, including reasonable attorneys' fees incurred by the Agent or any of the Lenders in enforcing this Guarantee against any Guarantor and each Guarantor shall pay and indemnify each Lender and the Agent for, and hold it harmless from and against, any and all obligations, liabilities, losses, damages, costs, expenses (including disbursements and reasonable legal fees of counsel to any Lender or the Agent), penalties, judgments, suits, actions, claims, and disbursements imposed on, asserted against, or incurred by any Lender or the Agent:
- (i) relating to the preparation, negotiation, execution, administration, or enforcement of or collection under this Guarantee or any document, instrument, or agreement relating to any of the Obligations, including in any Insolvency Proceeding in any jurisdiction or political subdivision thereof;
 - (ii) relating to any amendment, modification, waiver, or consent hereunder or relating to any telecopy or telephonic transmission purporting to be by any Guarantor or Borrower; and
 - (iii) in any way relating to or arising out of this Guarantee, or any document, instrument, or agreement relating to any of the Guaranteed Obligations, or

any action taken or omitted to be taken by any Lender or the Agent hereunder, and including those arising directly or indirectly from the violation or asserted violation by any Guarantor, the Borrower, the Agent or any Lender of any law, rule, regulation, judgment, order, or the like of any jurisdiction or political subdivision thereof (including those relating to environmental protection, health, labor, importing, exporting, or safety) and regardless whether asserted by any governmental entity or any other Person.

Notwithstanding the foregoing, the Guarantors shall have no liability for any obligations, liabilities, losses, damages, costs, expenses (including disbursements and reasonable legal fees of counsel to any Lender or the Agent), penalties, judgments, suits, actions, claims, and disbursements imposed on, asserted against, or incurred by any Lender or the Agent arising from gross negligence or willful misconduct of the Agent or the Lenders, as determined by a final non-appealable judgment of a court of competent jurisdiction.


- (d) Prior Understandings. This Guarantee and the Credit Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede any and all other prior and contemporaneous understandings and agreements.
- (e) Survival. All representations and warranties of a Guarantor made in connection with this Guarantee shall survive, and shall not be waived by, the execution and delivery of this Guarantee, any investigation by or knowledge of the Agent and the Lenders, or any of them, any extension of credit, or any other event or circumstance whatsoever.
- (f) Paramountcy. Notwithstanding anything herein to the contrary, the exercise of any right or remedy by the Agent or any Lender hereunder are subject, in all respects to the terms of the AIMCo Subordination Agreement. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the AIMCo Subordination Agreement, then, notwithstanding anything contained in this Agreement, the provisions contained in the AIMCo Subordination Agreement shall prevail to the extent of such conflict or inconsistency and the provisions of this Agreement shall be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency.

[SIGNATURE PAGE FOLLOWS]

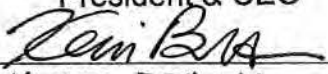
**[SIGNATURE PAGE – CONTINUING
AGREEMENT OF GUARANTEE AND SURETYSHIP]**

IN WITNESS WHEREOF, the undersigned parties intending to be legally bound, have executed this Guarantee as of the date first above written with the intention that this Guarantee shall constitute a sealed instrument.

RAZOR ENERGY CORP.

By: 
Name:
Title:

Doug Bailey
President & CEO

By: 
Name: **KEVIN BRAUN**
Title: **CFO**

This is Exhibit "C"
Referred to in the Affidavit of
GREGORY WHITE

Sworn before me this 5th day of
November, 2024

Marjorie Chavez

Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

ROYALTY PURCHASE AND SALE AGREEMENT

DATED EFFECTIVE THE 16TH DAY OF FEBRUARY, 2021

BETWEEN:

RAZOR ENERGY CORP.

(as Vendor)

- and -

RAZOR ROYALTIES LIMITED PARTNERSHIP

(as Purchaser)

ROYALTY PURCHASE AND SALE AGREEMENT

THIS ROYALTY PURCHASE AND SALE AGREEMENT ("Agreement") is made effective as of the Effective Date.

BETWEEN:

RAZOR ENERGY CORP., a corporation existing under the laws of the Province of Alberta ("Vendor"),

- and -

RAZOR ROYALTIES LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of Alberta ("Purchaser").

WHEREAS:

- A. Vendor holds those interests in the Royalty Lands set forth in Schedule "A" hereto; and
- B. Vendor wishes to sell and grant to Purchaser, and Purchaser wishes to purchase and receive from Vendor, the Assets, subject to and in accordance with the terms of this Agreement;

NOW THEREFORE in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

Article 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (a) "**Affiliate**" has the meaning given to that term in the Overriding Royalty Agreement;
- (b) "**Agreement**" has the meaning given to that term in the preamble hereof;
- (c) "**AIMCo**" means Alberta Investment Management Corporation, in its capacity as agent pursuant to the AIMCo Loan Agreement, and its successors in such capacity;
- (d) "**AIMCo Loan Agreement**" means the second amended and restated loan agreement among, *inter alios*, Vendor, as borrower, AIMCo and the lenders from time to time party thereto, as further amended, supplemented, renewed, restated or replaced from time to time;
- (e) "**AIMCo No Interest Letter**" means a no interest letter in a form acceptable to Purchaser, acting reasonably, duly executed by or on behalf of AIMCo and stating that the AIMCo Security shall not apply to the Overriding Royalty for the term of the Overriding Royalty Agreement;
- (f) "**AIMCo Security**" means the security held by AIMCo over the assets of Vendor in respect of Vendor's indebtedness under and in connection with the AIMCo Loan Agreement;
- (g) "**Applicable Laws**" has the meaning given to that term in the Overriding Royalty Agreement;
- (h) "**Arena**" means 405 Dolomite LLC, in its capacity as agent pursuant to the Arena Loan Agreement, and its successors in such capacity;

- (i) **"Arena Loan Agreement"** means the loan agreement among, *inter alios*, Purchaser, as borrower, Vendor, as guarantor, Arena and the lenders from time to time party thereto, as amended, supplemented, renewed, restated or replaced from time to time;
- (j) **"Arena Security"** means the security held by Arena over the assets of Vendor and Purchaser in respect of Purchaser's indebtedness and Vendor's obligations under and in connection with the Arena Loan Agreement;
- (k) **"Assets"** means the Overriding Royalty;
- (l) **"Business Day"** has the meaning given to that term in the Overriding Royalty Agreement;
- (m) **"Casualty or Condemnation"** means any:
 - (i) fire, blowout, leak, explosion, accident, earthquake, act of public enemy or other casualty;
or
 - (ii) pending or threatened taking, in condemnation or under the right of eminent domain;of any of the Royalty Lands (including the Royalty Wells) or any portion thereof and any real or personal property that is used to operate the Royalty Lands, the Royalty Wells, and the production of Petroleum Substances therefrom;
- (n) **"Closing"** has the meaning given to that term in Section 2.2;
- (o) **"Control"** has the meaning given to that term in the Overriding Royalty Agreement;
- (p) **"Effective Date"** means February 16, 2021;
- (q) **"Environmental Liabilities"** has the meaning given to that term in the Overriding Royalty Agreement;
- (r) **"Good and Defensible Title"** means that Vendor owns legal and/or beneficial title to the Assets that, subject to the Permitted Encumbrances, is free and clear of any:
 - (i) encumbrances, liens, security interests, mortgages, pledges, preferential purchase rights, or requirements for consents to assignment that would be applicable to or exercisable as a result of the sale or assignment thereof; and
 - (ii) defect or other impediments that affect or interfere with the operation, use, possession, ownership or value thereof;
- (s) **"Governmental Authority"** has the meaning given to that term in the Overriding Royalty Agreement;
- (t) **"GST"** means the goods and services tax provided for in the *Excise Tax Act* (Canada) and any other tax imposed or levied by the Government of Canada on or in respect of the sale or supply of goods or services in addition to or replacement for such goods and service tax;
- (u) **"Overriding Royalty"** means the non-convertible gross overriding royalty created under the Overriding Royalty Agreement;
- (v) **"Overriding Royalty Agreement"** means the form of overriding royalty agreement attached hereto as Schedule "B";

- (w) **"Other Sales Taxes"** means all sales, value-added or similar taxes or other transfer taxes, fees and charges, other than GST, imposed or levied by any Governmental Authority on or in respect of the sale or supply of goods or services;
- (x) **"Parties"** means, collectively, Vendor and Purchaser, and **"Party"** means either Vendor or Purchaser, as applicable;
- (y) **"Permitted Encumbrances"** means:
 - (i) the Overriding Royalty and the AIMCo Security (subject to the AIMCo No Interest Letter);
 - (ii) liens for taxes, assessments and charges of Governmental Authorities which are not due or delinquent at Closing or the validity of which is being diligently contested in good faith by or on behalf of Vendor;
 - (iii) liens incurred or created in the ordinary course of business to a Governmental Authority in connection with development or operations pertaining to the Royalty Lands;
 - (iv) undetermined or inchoate liens incurred or created as security in favour of any Third Party conducting the development or operation of the Royalty Lands and arising in the ordinary course of business for Vendor's proportionate share of the costs and expenses of such development or operations and which are not due or delinquent at Closing or the validity of which is being diligently contested in good faith by or on behalf of Vendor;
 - (v) mechanics', builders' and materialmen's liens in respect of services rendered or goods supplied for which payment is not due or delinquent at Closing or the validity of which is being diligently contested in good faith by or on behalf of Vendor;
 - (vi) the right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant or permit or by any statutory provision, to control or regulate the Royalty Lands in any manner, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other periodic payments as a condition of the continuance thereof;
 - (vii) rights of general application reserved to or vested in any Governmental Authority to levy taxes on Petroleum Substances or income from the sale thereof and governmental requirements and limitations of general application as to production rates of Petroleum Substances on the operations of any property;
 - (viii) statutory exceptions to title and the reservations, limitations, provisos and conditions in any original grants from the Crown of any of the mines and minerals within, upon or under the Royalty Lands;
 - (ix) any security held by any Third Party encumbering Vendor's interest in and to the Assets or any part or portion thereof in respect of which (i) Purchaser has not requested a release or registerable discharge in writing; or (ii) Purchaser has requested such a release or discharge and Vendor delivers a discharge or no-interest letter to Purchaser at or prior to Closing;
 - (x) Petroleum Substance sales, processing , transportation or storage contracts on normal market terms that are terminable without penalty on not more than thirty-one (31) days' notice to the purchaser thereof;
 - (xi) easements, rights of way, servitudes and other similar rights in land which do not materially impair the use of the Royalty Lands, including rights of way and servitudes for highways

and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cables;

- (xii) the terms and conditions of the Title and Operating Documents; and
- (xiii) all royalty burdens, liens, adverse claims, penalties, reductions in interests and other encumbrances set out in Schedule "A";
- (z) **"Person"** means any individual, body corporate, partnership, trust, trustee, executor or similar official, Governmental Authority or other entity and includes the Parties;
- (aa) **"Petroleum Substances"** has the meaning given to that term in the Overriding Royalty Agreement;
- (bb) **"Purchase Price"** has the meaning given to that term in Section 2.3;
- (cc) **"Purchaser"** has the meaning given to that term in the preamble;
- (dd) **"Purchaser Related Persons"** means Purchaser, its Affiliates and each of their respective directors, officers, employees and agents;
- (ee) **"Royalty Lands"** has the meaning given to that term in the Overriding Royalty Agreement;
- (ff) **"Royalty Well"** has the meaning given to that term in the Overriding Royalty Agreement;
- (gg) **"Schedules"** has the meaning given to that term in Section 1.3;
- (hh) **"Third Party"** means any Person other than Vendor and Purchaser;
- (ii) **"Title and Operating Documents"** has the meaning given to that term in the Overriding Royalty Agreement;
- (jj) **"Transaction"** means the purchase and sale of the Assets as set forth and described in this Agreement;
- (kk) **"Vendor"** has the meaning given to that term in the preamble hereof;
- (ll) **"Vendor Related Persons"** means Vendor, its Affiliates and each of their respective directors, officers, employees and agents; and
- (mm) **"Working Interest"** has the meaning given to that term in the Overriding Royalty Agreement.

1.2 Interpretation

Unless otherwise stated or the context otherwise necessarily requires, in this Agreement:

- (a) the expressions "Article", "Section" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified article, section and schedule of or to this Agreement;
- (b) words importing the singular shall include the plural and vice versa;
- (c) all monetary amounts expressed herein or calculated or to be paid pursuant hereto shall be in Canadian dollars unless otherwise specified;

- (d) capitalized words and phrases used herein which are derivatives of words or phrases otherwise defined herein shall have a corresponding meaning;
- (e) any reference in this Agreement to Royalty Lands shall, where provided for in the applicable Title and Operating Documents, be construed to include lands pooled or unitized with the Royalty Lands;
- (f) any reference in this Agreement to an Applicable Law or to any consent, approval, permit or other authorization of a Governmental Authority shall be deemed to refer to such Applicable Law or such consent, approval, permit or other authorization of a Governmental Authority as it has been amended, supplemented, re-enacted, varied, or otherwise modified or replaced from time to time up to the applicable time;
- (g) where any payment or calculation is to be made, or any other action is to be taken, on or as of a day that is not a Business Day, that payment or calculation is to be made, or that other action is to be taken, as applicable, on or as of the next following Business Day;
- (h) unless otherwise specified, time periods within or following which any payment is to be made or any act is to be done under this Agreement shall be calculated by excluding the day on which the period commences and including the day on which such period ends;
- (i) the use of "including" or "includes" or similar words in this Agreement, when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items immediately following such word to those or similar items, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words or phrases of similar import) is used, but rather such references shall be construed to refer to all items that could reasonably fall within the broadest possible scope of such general statement, term or matter;
- (j) words such as "hereof", "herein" or "hereunder" shall mean "of", "in" or "under" this Agreement and not the specific section in which the reference occurs unless expressly otherwise noted;
- (k) the headings contained in this Agreement are intended for convenience of reference only and shall form no part of this Agreement;
- (l) the rule of "*contra proferentem*" shall not apply to this Agreement; and
- (m) terms and expressions that are not specifically defined in this Agreement, but which have generally accepted meanings in the custom and usage of the petroleum and natural gas industry in Western Canada as of the date hereof, shall have such generally accepted meanings when used in this Agreement unless the contrary is specified or provided for elsewhere in this Agreement.

1.3 Schedules

The following schedules (the "**Schedules**") are attached to, form a part of and are incorporated in this Agreement:

- Schedule "A" – Royalty Lands
- Schedule "B" – Overriding Royalty Agreement
- Schedule "C" – Form of Officer's Certificate
- Schedule "D" – Disclosure Schedule

Wherever any term or condition of the Schedules conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

1.4 Knowledge

Where in this Agreement a representation or warranty is made on the basis of the knowledge of Vendor, such knowledge consists only of the actual knowledge of those current officers of Vendor, whose normal responsibilities relate to the matter in question, without any specific inquiry of Vendor's files or records or any Third Party's files or records, and does not include knowledge or awareness of any other individual or any constructive or imputed knowledge.

Article 2 PURCHASE AND SALE AND CLOSING

2.1 Purchase, Sale and Conveyance

Subject to and in accordance with the terms of this Agreement, effective as of the Effective Date, Vendor hereby sells, assigns, transfers, conveys and sets over to Purchaser, and Purchaser hereby purchases and accepts from Vendor, Vendor's entire right, title, estate and interest in and to the Assets, to have and to hold the same absolutely, together with all benefits and advantages to be derived therefrom, subject to the terms of the Overriding Royalty Agreement.

2.2 Closing

Title to, and beneficial ownership, risk and possession of, the Assets shall pass from Vendor to Purchaser concurrently with the execution and delivery of this Agreement by the Parties and shall be effective as of the Effective Date (the "**Closing**").

2.3 Purchase Price

The aggregate consideration to be paid by Purchaser to Vendor for the Assets shall be eleven million, six hundred and fifty-four thousand, five hundred and thirteen dollars and eleven cents (\$11,654,513.11) (the "**Purchase Price**").

2.4 Payment of Purchase Price

Purchaser shall pay the Purchase Price to Vendor on the Effective Date hereof by wire transfer in immediately available funds.

2.5 GST and Other Sales Taxes

- (a) The Purchase Price does not include an amount on account of GST or any Other Sales Taxes payable in respect of the Transaction.
- (b) The Parties acknowledge that it is their understanding that no Other Sales Taxes are payable in respect of the Transaction and, therefore, no amount will be paid by Purchaser to Vendor, and no amount will be collected by Vendor from Purchaser, on account of Other Sales Taxes in respect of the Transaction.
- (c) The Parties agree that, as between Vendor and Purchaser, Purchaser shall be solely liable for and Purchaser shall indemnify, defend and keep harmless Vendor from any GST, penalty, interest or other amounts which may be payable by or assessed against Vendor under the *Excise Tax Act* (Canada) or any losses, costs, damages, expenses and liabilities suffered, sustained, paid or incurred by the Vendor Related Persons or any claims made against any Vendor Related Person as a result of or in connection with the failure by Purchaser to pay or Vendor to collect any GST on the date hereof, except to the extent that such penalty, interest or other amounts payable by Vendor is the result of any act or omission by Vendor.

Article 3
CLOSING DELIVERIES

3.1 Deliveries by Vendor at Closing

Concurrently with the execution of this Agreement, Vendor shall deliver, or cause to be delivered, to Purchaser:

- (a) the Overriding Royalty Agreement duly executed in counterpart by Vendor;
- (b) an officer's certificate substantially in the form attached as Schedule "C";
- (c) the AIMCo No Interest Letter;
- (d) definitive documentation evidencing the maturity date extension of all outstanding indebtedness owed to AIMCo by at least thirty-six (36) months;
- (e) a receipt in respect of Vendor's receipt of the Purchase Price; and
- (f) such other items as may be specifically required hereunder or as have been reasonably requested by Purchaser.

3.2 Deliveries by Purchaser at Closing

Concurrently with the execution of this Agreement, Purchaser shall pay or deliver, or cause to be paid or delivered, to Vendor:

- (a) the Overriding Royalty Agreement duly executed in counterpart by Purchaser;
- (b) evidence satisfactory to Vendor, acting reasonably, of the payment by Purchaser of the Purchase Price; and
- (c) such other items as may be specifically required hereunder or as have been reasonably requested by Vendor.

Article 4
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Vendor

Vendor makes the following representations and warranties to Purchaser:

- (a) Vendor is a corporation duly organized and validly existing under the laws of the jurisdiction of its incorporation, is authorized to carry on business in the Province in which the Royalty Lands are located, and now has good right, full power and absolute authority to sell, assign, transfer, convey and set over the Assets according to the true intent and meaning of this Agreement;
- (b) the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders' and directors' actions on the part of Vendor and will not result in any violation of, be in conflict with or constitute a default under any governing document to which Vendor is bound;
- (c) the execution, delivery and performance of this Agreement will not result in:

- (i) any violation of Applicable Laws;
 - (ii) any violation of, be in conflict with, or constitute a default under any term or provision of any agreement or document to which Vendor is party or by which Vendor is bound; or
 - (iii) except as identified in Schedule "D", the creation of any mortgage, lien, pledge, security interest, charge or other encumbrance upon the Royalty Lands other than the Overriding Royalty;
- (d) this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Vendor enforceable against Vendor in accordance with their terms, subject to the qualification that such enforceability may be subject to bankruptcy, insolvency, fraudulent preference, reorganization or similar laws, and general principles of equity;
- (e) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over Vendor, the Royalty Lands and the Assets is required for the due execution, delivery and performance by Vendor of this Agreement, other than authorizations, approvals or exemptions from requirement therefor, previously obtained and currently in force;
- (f) all notices to and consents of Third Parties that are necessary to permit the valid sale, grant and conveyance to Purchaser of the Assets have been obtained by Vendor;
- (g) there are no rights of first refusal or other similar preferential rights of purchase pursuant to which any Third Party is entitled to acquire an interest in the Assets or any portion thereof;
- (h) except for Permitted Encumbrances, Vendor has not alienated or encumbered the Royalty Lands or any part or portion thereof and Vendor has not committed and is not aware of there having been committed any act or omission whereby the interest of Vendor in and to the Assets or any part or portion thereof may be cancelled or terminated;
- (i) except as identified in Schedule "D", Vendor has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction in respect of which Purchaser shall have any obligation or liability;
- (j) Vendor is not a non-resident within the meaning of the *Income Tax Act* (Canada);
- (k) Vendor has Good and Defensible Title to the Assets;
- (l) to Vendor's knowledge, except for the Permitted Encumbrances, all:
- (i) ad valorem, property, production, severance and similar taxes and assessments based on, or measured by, the ownership of the Royalty Lands, the production of Petroleum Substances therefrom, the receipt of proceeds from the sale of such Petroleum Substances; and
 - (ii) royalties and rentals; accruing prior to the Effective Date that are payable by Vendor have been or will be properly paid and discharged prior to the due date thereof;
- (m) except as identified in Schedule "D", no suit, action, lawsuit, administrative proceeding or other proceeding before any court or governmental agency has been commenced against Vendor or, to the knowledge, information and belief of Vendor, has been threatened against Vendor or any Third Party, which might adversely affect the consummation of the transactions contemplated by this Agreement;

- (n) to Vendor's knowledge, Vendor has complied with, performed, observed and satisfied all material terms, conditions, obligations and liabilities under the Title and Operating Documents and Vendor has complied with all orders and directives of any Governmental Authority in respect of the Title and Operating Documents;
- (o) except as identified in Schedule "D", no Petroleum Substances produced from the Royalty Lands are subject to any agreement pursuant to which the owner of such Petroleum Substances are not entitled to take such Petroleum Substances "in kind" or otherwise market or sell such Petroleum Substances at market prices;
- (p) to Vendor's knowledge, all operations relating to the Royalty Lands (including the Royalty Wells) have been conducted in accordance with good oilfield practice and all Applicable Laws and Vendor has not received any notice of violation, and is not aware that any violation is occurring or has occurred, in respect of operations relating to the Royalty Lands (including the Royalty Wells);
- (q) Vendor is not aware of and has not received any:
 - (i) actions, orders, reviews, investigations or directives which relate to Environmental Liabilities and which require any work, repairs, construction or capital expenditures with respect to the Royalty Lands, where such actions, orders, reviews, investigations or directives have not been complied with in all material respects; or
 - (ii) demands, notices or complaints issued with respect to the breach of any environmental, health or safety law applicable to the Royalty Lands, including without limitation, respecting the use, storage, treatment, transportation or disposition of environmental contaminants, which demand or notice remains outstanding as of the Effective Date;

and, except as identified in Schedule "D", Vendor is not otherwise aware of any matter, condition or thing that has arisen with respect to the Royalty Lands that could reasonably be expected to give rise to any of the foregoing;

- (r) no Casualty or Condemnation has occurred that, individually or in the aggregate, adversely affects:
 - (i) any portion of the Royalty Lands (including the Royalty Wells) or any portion thereof or any real or personal property that is used to operate the Royalty Lands, the Royalty Wells, and the production of Petroleum Substances therefrom or operation thereof; or
 - (ii) the ability of Vendor to perform its obligations under this Agreement or the Royalty Agreements; and
- (s) to Vendor's knowledge, Schedule "A" sets forth and describes all of Vendor's interests in the Royalty Lands.

4.2 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Vendor, no claim in respect of which shall be made or be enforceable by Vendor unless written notice of such claim, with reasonable particulars, is given by Vendor to Purchaser within a period of twelve (12) months from the date hereof:

- (a) Purchaser is a limited partnership duly formed and validly existing under the laws of the jurisdiction of its formation, is authorized to carry on business in the Province in which the Royalty Lands are located, and now has good right, full power and absolute authority to purchase the interest of Vendor in and to the Assets according to the true intent and meaning of this Agreement;

- (b) the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite actions on the part of Purchaser and will not result in any violation of, be in conflict with or constitute a default under any governing document to which Purchaser is bound;
- (c) the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with or constitute a default under any term or provision of any agreement or document to which Purchaser is party or by which Purchaser is bound, nor under any Applicable Laws;
- (d) this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their terms, subject to the qualification that such enforceability may be subject to bankruptcy, insolvency, fraudulent preference or similar laws, and general principles of equity;
- (e) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by Purchaser of this Agreement, other than authorizations, approvals or exemptions from requirement therefor, previously obtained and currently in force; and
- (f) no suit, action, lawsuit, administrative proceeding or other proceeding before any court or governmental agency has been commenced against Purchaser or, to the knowledge, information and belief of Purchaser, has been threatened against Purchaser or any Third Party, which might adversely affect the consummation of the transactions contemplated by this Agreement.

4.3 Due Diligence

Purchaser acknowledges that it has, prior to the Effective Date, been given an opportunity to review Vendor's title to the Royalty Lands and the underlying interests subject to the Overriding Royalty Agreement, and certain operational, engineering, land and environmental matters relating to the Royalty Lands and operations by Vendor thereon and Purchaser has made its own independent investigation, analysis, evaluation and inspection of Vendor's interest in the Assets and will have relied on its own investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets.

Article 5

INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

5.1 Vendor's Indemnities for Representations and Warranties

Vendor shall be liable to Purchaser for and shall, in addition, indemnify the Purchaser Related Persons from and against, all losses, costs, claims, damages, expenses and liabilities suffered, sustained, paid or incurred by a Purchaser Related Person which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 4.1 been accurate.

5.2 Purchaser's Indemnities for Representations and Warranties

Purchaser shall be liable to Vendor for and shall, in addition, indemnify the Vendor Related Persons from and against, all losses, costs, claims, damages, expenses and liabilities suffered, sustained, paid or incurred by a Vendor Related Person which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 4.2 been accurate.

5.3 Limitation on Liability

Except in the event of fraud, in no event shall the total liability of either Party under this Agreement for all claims of the other Party exceed an amount equal to the Purchase Price less the royalty amounts

paid to the date of the claim to Purchaser (or a Person designated by Purchaser to received royalty payments) under the Overriding Royalty Agreement.

5.4 Time Limitation

No claim under this Agreement, including this Article 5, shall be made or be enforceable by a Party unless written notice of such claim, with reasonable particulars, is given by such Party to the Party against whom the claim is made within a period of twelve (12) months from the date hereof.

5.5 No Consequential Damages

Except in the event of a breach by a Party of Section 6.13, in no event shall a Party be liable in respect of the covenants, agreements, representations, warranties and indemnities contained in this Agreement or in any certificate, agreement or other document furnished pursuant to this Agreement for consequential, indirect or punitive damages (including loss of anticipated profits, business interruption or any special or incidental loss of any kind only where such losses are consequential, indirect or punitive) suffered, sustained, paid or incurred by the other Party or its indemnitees, provided that this Section 5.5 shall not preclude a Party from entitlement to indemnification for such Party's liability to a Third Party for consequential, indirect or punitive damages which such Third Party suffers, sustains, pays or incurs.

Article 6 GENERAL

6.1 Further Assurances

Each Party will, from time to time and at all times after the date hereof, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

6.2 No Merger

The covenants, representations, warranties and indemnities contained in this Agreement shall be deemed to be restated in any and all assignments, conveyances, transfers and other documents conveying the interests of Vendor in and to the Assets to Purchaser, subject to any and all time and other limitations contained in this Agreement. There shall not be any merger of any covenant, representation, warranty or indemnity in such assignments, conveyances, transfers and other documents notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived.

6.3 Entire Agreement

The provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, subject to Section 6.12, the provisions of this Agreement shall prevail. This Agreement and the Overriding Royalty Agreement collectively supersede all other agreements, documents, writings and verbal understandings among the Parties relating to the subject matter hereof and express the entire agreement of the Parties with respect to the subject matter hereof.

6.4 Governing Law

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and applicable laws of Canada and shall, in all respects, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of or in connection with this Agreement.

6.5 Enurement

This Agreement may not be assigned by a Party without the prior written consent of the other Party, which consent may be unreasonably and arbitrarily withheld. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns, as applicable.

6.6 Time of Essence

Time shall be of the essence in this Agreement.

6.7 Notices

(a) The addresses for service and the email address of the Parties shall be as follows:

Vendor: RAZOR ENERGY CORP.
Suite 800, 500 – 5th Avenue S.W.
Calgary, AB T2P 3L5

Attn: Doug Bailey
Email: dbailey@razor-energy.com

Purchaser: RAZOR ROYALTIES LIMITED PARTNERSHIP
c/o Razor Holdings GP Corp.
Suite 800, 500 – 5th Avenue S.W.
Calgary, AB T2P 3L5

Attention: Doug Bailey
Email: dbailey@razor-energy.com

(b) All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

(i) by email to a Party to the email address of such Party set out above, in which case the item so transmitted shall be deemed to have been received by that Party when properly transmitted;

(ii) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by mailing first class registered post, postage prepaid, to a Party at the address of such Party set out above, in which case the item so mailed shall be deemed to have been received by that Party on the third Business Day following the date of mailing (the date of mailing being the Business Day immediately prior to the postmarked date of the envelope containing the notice, communication or statement); or

(iii) by personal service on a Party at the address of such Party set out above, in which case the item so served shall be deemed to have been received by that Party when personally served.

(c) A Party may from time to time change its address for service or its email address or both by giving written notice of such change to the other Party.

6.8 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

6.9 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver of any provision of this Agreement, including without limitation, this Section 6.9, shall be effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of the Party making such waiver.

6.10 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

6.11 Agreement not Severable

This Agreement extends to the whole of the Assets and is not severable without Purchaser's express written consent or as otherwise herein provided.

6.12 Supremacy of Interpretation

In the event of any conflict as between the terms or provisions of this Agreement and the Overriding Royalty Agreement, the terms and provisions of the Overriding Royalty Agreement shall supersede to the extent legally permissible.

6.13 Confidentiality

The Parties agree that terms of this Agreement and the Overriding Royalty Agreement, and the Transaction contemplated hereby shall remain confidential, provided that nothing contained herein shall prevent a Party at any time from furnishing information:

- (a) as permitted in accordance with the terms of the Overriding Royalty Agreement;
- (b) to any Governmental Authority or to the public if required by Applicable Law, provided that the Parties shall promptly advise each other in advance, where permitted by law, of any public statement which they propose to make and if permitted by law, seek the prior written consent of the other Party, which consent shall not be unreasonably withheld;
- (c) to the extent required by any applicable regulation or rule of any applicable stock exchange; or
- (d) to procure such other releases and registerable discharges or no interest letters as may be required hereunder.

6.14 Counterpart Execution


This Agreement may be executed by the Parties in counterparts and may be executed and delivered by fax or email, and all the counterparts together constitute one and the same agreement.

[Remainder of page intentionally blank. Signature page follows.]

Date. **IN WITNESS WHEREOF** the Parties have executed this Agreement with effect as of the Effective

RAZOR ENERGY CORP.


Per:


Name: Doug Bailey

Title: Chief Executive Officer

RAZOR ROYALTIES LIMITED PARTNERSHIP, by its
General Partner, **RAZOR HOLDINGS GP CORP.**

Per:


Name: Doug Bailey

Title: Chief Executive Officer

This is Exhibit "D"

Referred to in the Affidavit of

GREGORY WHITE

Sworn before me this 5th day of

November 2024

Marjorie Chavez

Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

ROYALTY PURCHASE AND SALE AGREEMENT

DATED EFFECTIVE THE 12 DAY OF AUGUST, 2021

BETWEEN:

RAZOR ENERGY CORP.

(as Vendor)

- and -

RAZOR ROYALTIES LIMITED PARTNERSHIP

(as Purchaser)

ROYALTY PURCHASE AND SALE AGREEMENT

THIS ROYALTY PURCHASE AND SALE AGREEMENT ("Agreement") is made effective as of the Effective Date.

BETWEEN:

RAZOR ENERGY CORP., a corporation existing under the laws of the Province of Alberta ("**Vendor**"),

- and -

RAZOR ROYALTIES LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of Alberta ("**Purchaser**").

WHEREAS:

- A. Vendor holds those interests in the Royalty Lands set forth in Schedule "A" hereto; and
- B. Vendor wishes to sell and grant to Purchaser, and Purchaser wishes to purchase and receive from Vendor, the Assets, subject to and in accordance with the terms of this Agreement;

NOW THEREFORE in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

Article 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (a) "**Affiliate**" has the meaning given to that term in the Overriding Royalty Agreement;
- (b) "**Agreement**" has the meaning given to that term in the preamble hereof;
- (c) "**AIMCo**" means Alberta Investment Management Corporation, in its capacity as agent pursuant to the AIMCo Loan Agreement, and its successors in such capacity;
- (d) "**AIMCo Loan Agreement**" means the second amended and restated loan agreement among, inter alios, Vendor, as borrower, AIMCo and the lenders from time to time party thereto, as further amended, supplemented, renewed, restated or replaced from time to time;
- (e) "**AIMCo No Interest Letter**" means a no interest letter in a form acceptable to Purchaser, acting reasonably, duly executed by or on behalf of AIMCo and stating that the AIMCo Security shall not apply to the Overriding Royalty for the term of the Overriding Royalty Agreement;
- (f) "**AIMCo Security**" means the security held by AIMCo over the assets of Vendor in respect of Vendor's indebtedness under and in connection with the AIMCo Loan Agreement, as such security may be amended, supplemented, renewed, restated or replaced from time to time;
- (g) "**Applicable Laws**" has the meaning given to that term in the Overriding Royalty Agreement;
- (h) "**Arena**" means 405 Dolomite LLC, in its capacity as agent pursuant to the Arena Loan

Agreement, and its successors in such capacity;

- (i) **"Arena Loan Agreement"** means the loan agreement among, inter alios, Purchaser, as borrower, Vendor, as guarantor, Arena and the lenders from time to time party thereto, as amended, supplemented, renewed, restated or replaced from time to time;
- (j) **"Arena Security"** means the security held by Arena over the assets of Vendor and Purchaser in respect of Purchaser's indebtedness and Vendor's obligations under and in connection with the Arena Loan Agreement, as such security may be amended, supplemented, renewed, restated or replaced from time to time;
- (k) **"Assets"** means the Overriding Royalty;
- (l) **"Business Day"** has the meaning given to that term in the Overriding Royalty Agreement;
- (m) **"Casualty or Condemnation"** means any:
 - (i) fire, blowout, leak, explosion, accident, earthquake, act of public enemy or other casualty; or
 - (ii) pending or threatened taking, in condemnation or under the right of eminent domain; of any of the Royalty Lands (including the Royalty Wells) or any portion thereof and any real or personal property that is used to operate the Royalty Lands, the Royalty Wells, and the production of Petroleum Substances therefrom;
- (n) **"Closing"** has the meaning given to that term in Section 2.2;
- (o) **"Control"** has the meaning given to that term in the Overriding Royalty Agreement;
- (p) **"Effective Date"** means August 12, 2021;
- (q) **"Environmental Liabilities"** has the meaning given to that term in the Overriding Royalty Agreement;
- (r) **"Good and Defensible Title"** means that Vendor owns legal and/or beneficial title to the Assets that, subject to the Permitted Encumbrances, is free and clear of any:
 - (i) encumbrances, liens, security interests, mortgages, pledges, preferential purchase rights, or requirements for consents to assignment that would be applicable to or exercisable as a result of the sale or assignment thereof; and
 - (ii) defect or other impediments that affect or interfere with the operation, use, possession, ownership or value thereof;
- (s) **"Governmental Authority"** has the meaning given to that term in the Overriding Royalty Agreement;
- (t) **"GST"** means the goods and services tax provided for in the *Excise Tax Act* (Canada) and any other tax imposed or levied by the Government of Canada on or in respect of the sale or supply of goods or services in addition to or replacement for such goods and service tax;
- (u) **"Overriding Royalty"** means the non-convertible gross overriding royalty created under the Overriding Royalty Agreement;

- (v) **"Overriding Royalty Agreement"** means the form of overriding royalty agreement attached hereto as Schedule "B";
- (w) **"Other Sales Taxes"** means all sales, value-added or similar taxes or other transfer taxes, fees and charges, other than GST, imposed or levied by any Governmental Authority on or in respect of the sale or supply of goods or services;
- (x) **"Parties"** means, collectively, Vendor and Purchaser, and **"Party"** means either Vendor or Purchaser, as applicable;
- (y) **"Permitted Encumbrances"** means:
 - (i) the Overriding Royalty and the AIMCo Security (subject to the AIMCo No Interest Letter);
 - (ii) liens for taxes, assessments and charges of Governmental Authorities which are not due or delinquent at Closing or the validity of which is being diligently contested in good faith by or on behalf of Vendor;
 - (iii) liens incurred or created in the ordinary course of business to a Governmental Authority in connection with development or operations pertaining to the Royalty Lands;
 - (iv) undetermined or inchoate liens incurred or created as security in favour of any Third Party conducting the development or operation of the Royalty Lands and arising in the ordinary course of business for Vendor's proportionate share of the costs and expenses of such development or operations and which are not due or delinquent at Closing or the validity of which is being diligently contested in good faith by or on behalf of Vendor;
 - (v) mechanics', builders' and materialmen's liens in respect of services rendered or goods supplied for which payment is not due or delinquent at Closing or the validity of which is being diligently contested in good faith by or on behalf of Vendor;
 - (vi) the right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant or permit or by any statutory provision, to control or regulate the Royalty Lands in any manner, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other periodic payments as a condition of the continuance thereof;
 - (vii) rights of general application reserved to or vested in any Governmental Authority to levy taxes on Petroleum Substances or income from the sale thereof and governmental requirements and limitations of general application as to production rates of Petroleum Substances on the operations of any property;
 - (viii) statutory exceptions to title and the reservations, limitations, provisos and conditions in any original grants from the Crown of any of the mines and minerals within, upon or under the Royalty Lands;
 - (ix) any security held by any Third Party encumbering Vendor's interest in and to the Assets or any part or portion thereof in respect of which (i) Purchaser has not requested a release or registerable discharge in writing; or (ii) Purchaser has requested such a release or discharge and Vendor delivers a discharge or no-interest letter to Purchaser at or prior to Closing;
 - (x) Petroleum Substance sales, processing, transportation or storage contracts on normal market terms that are terminable without penalty on not more than thirty-one (31) days' notice to the purchaser thereof;

- (xi) easements, rights of way, servitudes and other similar rights in land which do not materially impair the use of the Royalty Lands, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cables;
- (xii) the terms and conditions of the Title and Operating Documents; and
- (xiii) all royalty burdens, liens, adverse claims, penalties, reductions in interests and other encumbrances set out in Schedule "A";
- (z) **"Person"** means any individual, body corporate, partnership, trust, trustee, executor or similar official, Governmental Authority or other entity and includes the Parties;
- (aa) **"Petroleum Substances"** has the meaning given to that term in the Overriding Royalty Agreement;
- (bb) **"Purchase Price"** has the meaning given to that term in Section 2.3;
- (cc) **"Purchaser"** has the meaning given to that term in the preamble;
- (dd) **"Purchaser Related Persons"** means Purchaser, its Affiliates and each of their respective directors, officers, employees and agents;
- (ee) **"Royalty Lands"** has the meaning given to that term in the Overriding Royalty Agreement;
- (ff) **"Royalty Well"** has the meaning given to that term in the Overriding Royalty Agreement;
- (gg) **"Schedules"** has the meaning given to that term in Section 1.3;
- (hh) **"Third Party"** means any Person other than Vendor and Purchaser;
- (ii) **"Title and Operating Documents"** has the meaning given to that term in the Overriding Royalty Agreement;
- (jj) **"Transaction"** means the purchase and sale of the Assets as set forth and described in this Agreement;
- (kk) **"Vendor"** has the meaning given to that term in the preamble hereof;
- (ll) **"Vendor Related Persons"** means Vendor, its Affiliates and each of their respective directors, officers, employees and agents; and
- (mm) **"Working Interest"** has the meaning given to that term in the Overriding Royalty Agreement.

1.2 Interpretation

Unless otherwise stated or the context otherwise necessarily requires, in this Agreement:

- (a) the expressions "Article", "Section" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified article, section and schedule of or to this Agreement;
- (b) words importing the singular shall include the plural and vice versa;

- (c) all monetary amounts expressed herein or calculated or to be paid pursuant hereto shall be in United States dollars unless otherwise specified;
- (d) capitalized words and phrases used herein which are derivatives of words or phrases otherwise defined herein shall have a corresponding meaning;
- (e) any reference in this Agreement to Royalty Lands shall, where provided for in the applicable Title and Operating Documents, be construed to include lands pooled or unitized with the Royalty Lands;
- (f) any reference in this Agreement to an Applicable Law or to any consent, approval, permit or other authorization of a Governmental Authority shall be deemed to refer to such Applicable Law or such consent, approval, permit or other authorization of a Governmental Authority as it has been amended, supplemented, re-enacted, varied, or otherwise modified or replaced from time to time up to the applicable time;
- (g) where any payment or calculation is to be made, or any other action is to be taken, on or as of a day that is not a Business Day, that payment or calculation is to be made, or that other action is to be taken, as applicable, on or as of the next following Business Day;
- (h) unless otherwise specified, time periods within or following which any payment is to be made or any act is to be done under this Agreement shall be calculated by excluding the day on which the period commences and including the day on which such period ends;
- (i) the use of "including" or "includes" or similar words in this Agreement, when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items immediately following such word to those or similar items, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words or phrases of similar import) is used, but rather such references shall be construed to refer to all items that could reasonably fall within the broadest possible scope of such general statement, term or matter;
- (j) words such as "hereof", "herein" or "hereunder" shall mean "of", "in" or "under" this Agreement and not the specific section in which the reference occurs unless expressly otherwise noted;
- (k) the headings contained in this Agreement are intended for convenience of reference only and shall form no part of this Agreement;
- (l) the rule of "*contra proferentem*" shall not apply to this Agreement; and
- (m) terms and expressions that are not specifically defined in this Agreement, but which have generally accepted meanings in the custom and usage of the petroleum and natural gas industry in Western Canada as of the date hereof, shall have such generally accepted meanings when used in this Agreement unless the contrary is specified or provided for elsewhere in this Agreement.

1.3 Schedules

The following schedules (the "**Schedules**") are attached to, form a part of and are incorporated in this Agreement:

- Schedule "A" – Royalty Lands
- Schedule "B" – Overriding Royalty Agreement
- Schedule "C" – Form of Officer's Certificate
- Schedule "D" – Disclosure Schedule

Wherever any term or condition of the Schedules conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

1.4 Knowledge

Where in this Agreement a representation or warranty is made on the basis of the knowledge of Vendor, such knowledge consists only of the actual knowledge of those current officers of Vendor, whose normal responsibilities relate to the matter in question, without any specific inquiry of Vendor's files or records or any Third Party's files or records, and does not include knowledge or awareness of any other individual or any constructive or imputed knowledge.

Article 2
PURCHASE AND SALE AND CLOSING

2.1 Purchase, Sale and Conveyance

Subject to and in accordance with the terms of this Agreement, effective as of the Effective Date, Vendor hereby sells, assigns, transfers, conveys and sets over to Purchaser, and Purchaser hereby purchases and accepts from Vendor, Vendor's entire right, title, estate and interest in and to the Assets, to have and to hold the same absolutely, together with all benefits and advantages to be derived therefrom, subject to the terms of the Overriding Royalty Agreement.

2.2 Closing

Title to, and beneficial ownership, risk and possession of, the Assets shall pass from Vendor to Purchaser concurrently with the execution and delivery of this Agreement by the Parties and shall be effective as of the Effective Date (the "**Closing**").

2.3 Purchase Price

The aggregate consideration to be paid by Purchaser to Vendor for the Assets shall be seven million six hundred twenty six thousand eight hundred and seventeen dollars and ninety cents (\$7,626,817.90) (the "**Purchase Price**").

2.4 Payment of Purchase Price

Purchaser shall pay the Purchase Price to Vendor on the Effective Date hereof by wire transfer in immediately available funds.

2.5 GST and Other Sales Taxes

- (a) The Purchase Price does not include an amount on account of GST or any Other Sales Taxes payable in respect of the Transaction.
- (b) The Parties acknowledge that it is their understanding that no Other Sales Taxes are payable in respect of the Transaction and, therefore, no amount will be paid by Purchaser to Vendor, and no amount will be collected by Vendor from Purchaser, on account of Other Sales Taxes in respect of the Transaction.
- (c) The Parties agree that, as between Vendor and Purchaser, Purchaser shall be solely liable for and Purchaser shall indemnify, defend and keep harmless Vendor from any GST, penalty, interest or other amounts which may be payable by or assessed against Vendor under the *Excise Tax Act* (Canada) or any losses, costs, damages, expenses and liabilities suffered, sustained,

paid or incurred by the Vendor Related Persons or any claims made against any Vendor Related Person as a result of or in connection with the failure by Purchaser to pay or Vendor to collect any GST on the date hereof, except to the extent that such penalty, interest or other amounts payable by Vendor is the result of any act or omission by Vendor.

Article 3
CLOSING DELIVERIES

3.1 Deliveries by Vendor at Closing

Concurrently with the execution of this Agreement, Vendor shall deliver, or cause to be delivered, to Purchaser:

- (a) the Overriding Royalty Agreement duly executed in counterpart by Vendor;
- (b) an officer's certificate substantially in the form attached as Schedule "C";
- (c) evidence of AIMCo's consent to the transactions contemplated by this Agreement, in form and substance satisfactory to Purchaser;
- (d) the AIMCo No Interest Letter;
- (e) a receipt in respect of Vendor's receipt of the Purchase Price; and
- (f) such other items as may be specifically required hereunder or as have been reasonably requested by Purchaser.

3.2 Deliveries by Purchaser at Closing

Concurrently with the execution of this Agreement, Purchaser shall pay or deliver, or cause to be paid or delivered, to Vendor:

- (a) the Overriding Royalty Agreement duly executed in counterpart by Purchaser;
- (b) evidence satisfactory to Vendor, acting reasonably, of the payment by Purchaser of the Purchase Price; and
- (c) such other items as may be specifically required hereunder or as have been reasonably requested by Vendor.

Article 4
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Vendor

Vendor makes the following representations and warranties to Purchaser:

- (a) Vendor is a corporation duly organized and validly existing under the laws of the jurisdiction of its incorporation, is authorized to carry on business in the Province in which the Royalty Lands are located, and now has good right, full power and absolute authority to sell, assign, transfer, convey and set over the Assets according to the true intent and meaning of this Agreement;
- (b) the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders' and directors' actions on the part of Vendor and

will not result in any violation of, be in conflict with or constitute a default under any governing document to which Vendor is bound;

- (c) the execution, delivery and performance of this Agreement will not result in:
 - (i) any violation of Applicable Laws;
 - (ii) any violation of, be in conflict with, or constitute a default under any term or provision of any agreement or document to which Vendor is party or by which Vendor is bound; or
 - (iii) except as identified in Schedule "D", the creation of any mortgage, lien, pledge, security interest, charge or other encumbrance upon the Royalty Lands other than the Overriding Royalty;
- (d) this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Vendor enforceable against Vendor in accordance with their terms, subject to the qualification that such enforceability may be subject to bankruptcy, insolvency, fraudulent preference, reorganization or similar laws, and general principles of equity;
- (e) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over Vendor, the Royalty Lands and the Assets is required for the due execution, delivery and performance by Vendor of this Agreement, other than authorizations, approvals or exemptions from requirement therefor, previously obtained and currently in force;
- (f) all notices to and consents of Third Parties that are necessary to permit the valid sale, grant and conveyance to Purchaser of the Assets have been obtained by Vendor;
- (g) there are no rights of first refusal or other similar preferential rights of purchase pursuant to which any Third Party is entitled to acquire an interest in the Assets or any portion thereof;
- (h) except for Permitted Encumbrances, Vendor has not alienated or encumbered the Royalty Lands or any part or portion thereof and Vendor has not committed and is not aware of there having been committed any act or omission whereby the interest of Vendor in and to the Assets or any part or portion thereof may be cancelled or terminated;
- (i) Vendor has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction in respect of which Purchaser shall have any obligation or liability;
- (j) Vendor is not a non-resident within the meaning of the *Income Tax Act* (Canada);
- (k) Vendor has Good and Defensible Title to the Assets;
- (l) To Vendor's knowledge, except for the Permitted Encumbrances, all:
 - (i) ad valorem, property, production, severance and similar taxes and assessments based on, or measured by, the ownership of the Royalty Lands, the production of Petroleum Substances therefrom, the receipt of proceeds from the sale of such Petroleum Substances; and
 - (ii) royalties and rentals; accruing prior to the Effective Date that are payable by Vendor have been or will be properly paid and discharged prior to the due date thereof;

- (m) except as identified in Schedule "D", no suit, action, lawsuit, administrative proceeding or other proceeding before any court or governmental agency has been commenced against Vendor or, to the knowledge, information and belief of Vendor, has been threatened against Vendor or any Third Party, which might adversely affect the consummation of the transactions contemplated by this Agreement;
- (n) to Vendor's knowledge, Vendor has complied with, performed, observed and satisfied all material terms, conditions, obligations and liabilities under the Title and Operating Documents and Vendor has complied with all orders and directives of any Governmental Authority in respect of the Title and Operating Documents;
- (o) except as identified in Schedule "D", no Petroleum Substances produced from the Royalty Lands are subject to any agreement pursuant to which the owner of such Petroleum Substances are not entitled to take such Petroleum Substances "in kind" or otherwise market or sell such Petroleum Substances at market prices;
- (p) to Vendor's knowledge, all operations relating to the Royalty Lands (including the Royalty Wells) have been conducted in accordance with good oilfield practice and all Applicable Laws and Vendor has not received any notice of violation, and is not aware that any violation is occurring or has occurred, in respect of operations relating to the Royalty Lands (including the Royalty Wells);
- (q) Vendor is not aware of and has not received any:
 - (i) actions, orders, reviews, investigations or directives which relate to Environmental Liabilities and which require any work, repairs, construction or capital expenditures with respect to the Royalty Lands, where such actions, orders, reviews, investigations or directives have not been complied with in all material respects; or
 - (ii) demands, notices or complaints issued with respect to the breach of any environmental, health or safety law applicable to the Royalty Lands, including without limitation, respecting the use, storage, treatment, transportation or disposition of environmental contaminants, which demand or notice remains outstanding as of the Effective Date;and Vendor is not otherwise aware of any matter, condition or thing that has arisen with respect to the Royalty Lands that could reasonably be expected to give rise to any of the foregoing;
- (r) no Casualty or Condemnation has occurred that, individually or in the aggregate, adversely affects:
 - (i) any portion of the Royalty Lands (including the Royalty Wells) or any portion thereof or any real or personal property that is used to operate the Royalty Lands, the Royalty Wells, and the production of Petroleum Substances therefrom or operation thereof; or
 - (ii) the ability of Vendor to perform its obligations under this Agreement or the Royalty Agreements; and
- (s) to Vendor's knowledge, Schedule "A" sets forth and describes all of Vendor's interests in the Royalty Lands.

4.2 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Vendor, no claim in respect of which shall be made or be enforceable by Vendor unless written notice of such claim, with reasonable particulars, is given by Vendor to Purchaser within a period of twelve (12) months from the date hereof:

- (a) Purchaser is a limited partnership duly formed and validly existing under the laws of the jurisdiction of its formation, is authorized to carry on business in the Province in which the Royalty Lands are located, and now has good right, full power and absolute authority to purchase the interest of Vendor in and to the Assets according to the true intent and meaning of this Agreement;
- (b) the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite actions on the part of Purchaser and will not result in any violation of, be in conflict with or constitute a default under any governing document to which Purchaser is bound;
- (c) the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with or constitute a default under any term or provision of any agreement or document to which Purchaser is party or by which Purchaser is bound, nor under any Applicable Laws;
- (d) this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their terms, subject to the qualification that such enforceability may be subject to bankruptcy, insolvency, fraudulent preference or similar laws, and general principles of equity;
- (e) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by Purchaser of this Agreement, other than authorizations, approvals or exemptions from requirement therefor, previously obtained and currently in force; and
- (f) no suit, action, lawsuit, administrative proceeding or other proceeding before any court or governmental agency has been commenced against Purchaser or, to the knowledge, information and belief of Purchaser, has been threatened against Purchaser or any Third Party, which might adversely affect the consummation of the transactions contemplated by this Agreement.

4.3 Due Diligence

Purchaser acknowledges that it has, prior to the Effective Date, been given an opportunity to review Vendor's title to the Royalty Lands and the underlying interests subject to the Overriding Royalty Agreement, and certain operational, engineering, land and environmental matters relating to the Royalty Lands and operations by Vendor thereon and Purchaser has made its own independent investigation, analysis, evaluation and inspection of Vendor's interest in the Assets and will have relied on its own investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets.

Article 5

INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

5.1 Vendor's Indemnities for Representations and Warranties

Vendor shall be liable to Purchaser for and shall, in addition, indemnify the Purchaser Related Persons from and against, all losses, costs, claims, damages, expenses and liabilities suffered, sustained, paid or incurred by a Purchaser Related Person which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 4.1 been accurate.

5.2 Purchaser's Indemnities for Representations and Warranties

Purchaser shall be liable to Vendor for and shall, in addition, indemnify the Vendor Related Persons from and against, all losses, costs, claims, damages, expenses and liabilities suffered,

sustained, paid or incurred by a Vendor Related Person which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 4.2 been accurate.

5.3 Limitation on Liability

Except in the event of fraud, in no event shall the total liability of either Party under this Agreement for all claims of the other Party exceed an amount equal to the Purchase Price less the royalty amounts paid to the date of the claim to Purchaser (or a Person designated by Purchaser to received royalty payments) under the Overriding Royalty Agreement.

5.4 Time Limitation

No claim under this Agreement, including this Article 5, shall be made or be enforceable by a Party unless written notice of such claim, with reasonable particulars, is given by such Party to the Party against whom the claim is made within a period of twelve (12) months from the date hereof.

5.5 No Consequential Damages

Except in the event of a breach by a Party of Section 6.13, in no event shall a Party be liable in respect of the covenants, agreements, representations, warranties and indemnities contained in this Agreement or in any certificate, agreement or other document furnished pursuant to this Agreement for consequential, indirect or punitive damages (including loss of anticipated profits, business interruption or any special or incidental loss of any kind only where such losses are consequential, indirect or punitive) suffered, sustained, paid or incurred by the other Party or its indemnitees, provided that this Section 5.5 shall not preclude a Party from entitlement to indemnification for such Party's liability to a Third Party for consequential, indirect or punitive damages which such Third Party suffers, sustains, pays or incurs.

Article 6 GENERAL

6.1 Further Assurances

Each Party will, from time to time and at all times after the date hereof, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

6.2 No Merger

The covenants, representations, warranties and indemnities contained in this Agreement shall be deemed to be restated in any and all assignments, conveyances, transfers and other documents conveying the interests of Vendor in and to the Assets to Purchaser, subject to any and all time and other limitations contained in this Agreement. There shall not be any merger of any covenant, representation, warranty or indemnity in such assignments, conveyances, transfers and other documents notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived.

6.3 Entire Agreement

The provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, subject to Section 6.12, the provisions of this Agreement shall prevail. This Agreement and the Overriding Royalty Agreement collectively supersede all other agreements, documents, writings and verbal understandings among the Parties relating to the subject matter hereof and express the entire agreement of the Parties with respect to the subject matter hereof.

6.4 Governing Law

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and applicable laws of Canada and shall, in all respects, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of or in connection with this Agreement.

6.5 Enurement

This Agreement may not be assigned by a Party without the prior written consent of the other Party, which consent may be unreasonably and arbitrarily withheld. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns, as applicable.

6.6 Time of Essence

Time shall be of the essence in this Agreement.

6.7 Notices

(a) The addresses for service and the email address of the Parties shall be as follows:

Vendor: RAZOR ENERGY CORP.
Suite 800, 500 – 5th Avenue S.W.
Calgary, AB T2P 3L5

Attn: Doug Bailey
Email: dbailey@razor-energy.com

Purchaser: RAZOR ROYALTIES LIMITED PARTNERSHIP
c/o Razor Holdings GP Corp.
Suite 800, 500 – 5th Avenue S.W.
Calgary, AB T2P 3L5

Attention: Doug Bailey
Email: dbailey@razor-energy.com

(b) All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (i) by email to a Party to the email address of such Party set out above, in which case the item so transmitted shall be deemed to have been received by that Party when properly transmitted;
- (ii) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by mailing first class registered post, postage prepaid, to a Party at the address of such Party set out above, in which case the item so mailed shall be deemed to have been received by that Party on the third Business Day following the date of mailing (the date of mailing being the Business Day immediately prior to the postmarked date of the envelope containing the notice, communication or statement); or
- (iii) by personal service on a Party at the address of such Party set out above, in which case the item so served shall be deemed to have been received by that Party when personally served.

- (c) A Party may from time to time change its address for service or its email address or both by giving written notice of such change to the other Party.

6.8 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

6.9 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver of any provision of this Agreement, including without limitation, this Section 6.9, shall be effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of the Party making such waiver.

6.10 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

6.11 Agreement not Severable

This Agreement extends to the whole of the Assets and is not severable without Purchaser's express written consent or as otherwise herein provided.

6.12 Supremacy of Interpretation

In the event of any conflict as between the terms or provisions of this Agreement and the Overriding Royalty Agreement, the terms and provisions of the Overriding Royalty Agreement shall supersede to the extent legally permissible.

6.13 Confidentiality

The Parties agree that terms of this Agreement and the Overriding Royalty Agreement, and the Transaction contemplated hereby shall remain confidential, provided that nothing contained herein shall prevent a Party at any time from furnishing information:

- (a) as permitted in accordance with the terms of the Overriding Royalty Agreement;
- (b) to any Governmental Authority or to the public if required by Applicable Law, provided that the Parties shall promptly advise each other in advance, where permitted by law, of any public statement which they propose to make and if permitted by law, seek the prior written consent of the other Party, which consent shall not be unreasonably withheld;
- (c) to the extent required by any applicable regulation or rule of any applicable stock exchange; or
- (d) to procure such other releases and registerable discharges or no interest letters as may be required hereunder.

6.14 Counterpart Execution

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by fax or email, and all the counterparts together constitute one and the same agreement.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF the Parties have executed this Agreement with effect as of the Effective Date.

RAZOR ENERGY CORP.

Per:



Doug Bailey
Chief Executive Officer

RAZOR ROYALTIES LIMITED PARTNERSHIP,
by its General Partner, **RAZOR HOLDINGS GP CORP.**

Per:



Doug Bailey
Chief Executive Officer

This is Exhibit "E"
Referred to in the Affidavit of
GREGORY WHITE

Sworn before me this 5th day of
November, 2024

Marjorie Chavez

Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

OVERRIDING ROYALTY AGREEMENT

THIS OVERRIDING ROYALTY AGREEMENT ("Agreement") is made effective as of the Effective Date.

BETWEEN:

RAZOR ENERGY CORP., a corporation existing under the laws of the Province of Alberta ("Royalty Payor"),

- and -

RAZOR ROYALTIES LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of Alberta ("Royalty Owner").

WHEREAS:

- A. Pursuant to a royalty purchase and sale agreement dated as of the Effective Date between Royalty Payor and Royalty Owner (the "**Sale Agreement**"), Royalty Owner has purchased and acquired from Royalty Payor the Overriding Royalty; and
- B. The Parties desire to provide that, from and after the Effective Date, the Royalty Lands shall be subject to the terms of this Agreement.

NOW THEREFORE in consideration of the transactions provided for under the Sale Agreement and the premises and mutual covenants hereinafter set forth, the Parties agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (a) "**Affiliate**" means, in respect of a Party:
 - (i) a Person that Controls the Party;
 - (ii) a Person that is Controlled by the Party; or
 - (iii) a Person that is under common Control with the Party;
- (b) "**Agreement**" has the meaning given to that term in the preamble hereof;
- (c) "**AIMCo**" means Alberta Investment Management Corporation, in its capacity as agent pursuant to the AIMCo Loan Agreement, and its successors in such capacity;
- (d) "**AIMCo Loan Agreement**" means the second amended and restated loan agreement among, *inter alios*, the Royalty Payor, as borrower, AIMCo and the lenders from time to time party thereto, as further amended, supplemented, renewed, restated or replaced from time to time;
- (e) "**AIMCo Security**" means the security held by AIMCo over the assets of Royalty Payor in respect of the Royalty Payor's indebtedness under and in connection with the AIMCo Loan Agreement;
- (f) "**Applicable Laws**" means:

- (i) all laws and statutes, including regulations, rules, bylaws, ordinances and other statutory instruments enacted thereunder;
- (ii) all judgments, decrees, rulings and orders of courts, tribunals, commissions and other similar bodies of competent jurisdictions;
- (iii) all orders, rules, directives, policies and guidelines having force of law issued by any Governmental Authority; and
- (iv) requirements of any stock exchange,

that are in effect as of the relevant time and are applicable to the Royalty Lands and the Parties;

- (g) **"Arena"** means 405 Dolomite LLC, in its capacity as agent pursuant to the Arena Loan Agreement, and its successors in such capacity.
- (h) **"Arena Loan Agreement"** means the loan agreement among, *inter alios*, the Royalty Owner, as borrower, Royalty Payor, as guarantor, Arena and the lenders from time to time party thereto, as amended, supplemented, renewed, restated or replaced from time to time.
- (i) **"Arena Security"** means the security held by Arena over the assets of Royalty Payor and Royalty Owner in respect of the Royalty Owner's indebtedness and Royalty Payor's obligations under and in connection with the Arena Loan Agreement.
- (j) **"Business Day"** means any day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;
- (k) **"Control"** means the possession, directly or indirectly, by a Person or group of Persons acting in concert, of the power to direct or cause the direction of the management or policies of another Person, whether through the ownership of voting securities, by contract or otherwise;
- (l) **"Current Market Value"** has the meaning given to that term in Schedule "B";
- (m) **"Effective Date"** means February 16, 2021;
- (n) **"Environment"** includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant, human and animal life;
- (o) **"Force Majeure Event"** means any act, event, cause or condition that prevents a Party from performing its obligations (other than payment obligations) hereunder, but only if and to the extent such event or circumstance could not reasonably have been anticipated as at the date hereof and is beyond the affected Party's reasonable control and was not caused, directly or indirectly, by the fault or negligence of the Party seeking to have its performance obligation excused thereby, and shall include, without limitation:
 - (i) acts of God, including extreme wind, ice, lightning or other storms, earthquakes, tornadoes, hurricanes, cyclones, landslides, drought, floods and washouts, fires or explosions;
 - (ii) local, regional or national states of emergency;
 - (iii) strikes and other labour disputes; or
 - (iv) civil disobedience or disturbances, war (whether declared or not), acts of sabotage, blockades, insurrections, terrorism, revolution, riots, pandemics or epidemics;

- (p) **"Governmental Authority"** means any:
- (i) federal, provincial, state, municipal, local or other governmental entity or authority of any nature, including any governmental ministry, agency, branch, department or official, and any court, regulatory board or other tribunal; or
 - (ii) individual or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory or taxing authority or power of any nature,
- having jurisdiction over the Parties or the Royalty Lands;
- (q) **"Overriding Royalty"** means the non-convertible gross overriding royalty of nine percent (9%) payable on Royalty Payor's Working Interest share of the gross monthly production of all Petroleum Substances produced from the Royalty Lands that is granted to Royalty Owner pursuant to Section 2.1;
- (r) **"Parties"** means, collectively, Royalty Owner and Royalty Payer, and **"Party"** means either Royalty Owner or Royalty Payor, as applicable;
- (s) **"Payment Default"** means the failure by Royalty Payor to pay the Overriding Royalty or any other amounts owing to Royalty Owner under this Agreement within ten (10) Business Days of receiving notice of such default from Royalty Owner;
- (t) **"Person"** means any individual, body corporate, partnership, trust, trustee, executor or similar official, Governmental Authority or other entity and includes the Parties;
- (u) **"Petroleum Substances"** means any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, including without limitation sulphur and coal bed methane, but excluding coal, produced water and lithium brine;
- (v) **"Point of Sale"** means:
- (i) in the event Royalty Payor makes such election to purchase the Royalty Owner's share of the Petroleum Substances under Section 2.7, at the point immediately prior to the inlet flange of Royalty Payor's enrichment/blending facilities whereupon the applicable Petroleum Substances are metered, measured or allocated, provided such point occurs after all cleaning and processing in respect of the Petroleum Substances has been completed, including without limitation the treatment and removal of basic sediment, water (including dehydration), heat and other applicable impurities; and
 - (ii) in the event Royalty Payor does not make such election to purchase the Royalty Owner's share of the Petroleum Substances under Section 2.7:
 - (A) in respect of Petroleum Substances produced from the Royalty Lands handled at a battery of Royalty Payor, the lease automatic custody transfer unit of the battery of Royalty Payor from which Petroleum Substances produced from the Royalty Lands can be made available for sale to an arm's length purchaser, provided that if such Petroleum Substances are handled at more than one battery of Royalty Payor, the "Point of Sale" shall refer to the lease automatic custody transfer unit of the last battery of Royalty Payor at which such Petroleum Substances are handled; and

- (B) otherwise, the first point at which Petroleum Substances produced from the Royalty Lands could ordinarily be made available for sale to an arm's length purchaser;

provided that, notwithstanding the above, should Royalty Owner elect to take in kind pursuant to Section 2.5, the point of sale shall be the point immediately prior to the inlet flange of any Third Party processing facility whereupon the applicable Petroleum Substances are metered, measured or allocated, provided such point occurs after all the treatment and removal of basic sediment, water (including dehydration) and other applicable impurities;

- (w) **"Price Factor"** means:
 - (i) the actual sales price received, provided that the sale was to an arm's length purchaser; and
 - (ii) in all other circumstances, the greater of:
 - (A) the actual sales price received; and
 - (B) the Current Market Value, for the appropriate Petroleum Substance as it relates to the applicable Royalty Well;
- (x) **"Prime Rate"** means a rate of interest equal to the annual rate of interest announced from time to time by the main Calgary branch of the Royal Bank of Canada as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada;
- (y) **"Royalty Determination Methodology"** means the methodology described in Section 2.3(a);
- (z) **"Royalty Lands"** means the lands and interests therein that are set forth and described in Schedule "A" insofar as rights pertaining to the Petroleum Substances underlying those lands are granted by the Title and Operating Documents, and so much of those lands as remain subject to this Agreement, the Sale Agreement and the Title and Operating Documents, together with the right to explore for and recover Petroleum Substances from within those lands, to the full extent of Royalty Payor's Working Interest therein;
- (aa) **"Royalty Lands Environmental Liabilities"** means all losses and liabilities that relate to the Royalty Payor's Working Interest in the Royalty Lands and Petroleum Substances attributed to Royalty Payor's Working Interest in the Royalty Lands or that arise in connection with the ownership thereof or operations pertaining thereto, whether it has arisen in the past, hereof, or hereafter, including liabilities related to or arising from:
 - (i) abandonment and reclamation obligations arising under or pursuant to the Applicable Laws;
 - (ii) past, present or future transportation, storage, use, holding or disposal of toxic or hazardous substances or waste;
 - (iii) leaching, migration, release, spill, escape or emission of toxic or hazardous substances or waste;
 - (iv) obligations to test, monitor, remediate, protect or clean-up the Environment;

- (v) the costs of complying with any environmental order or direction of any Governmental Authority having jurisdiction over the Royalty Lands or Petroleum Substances in the Royalty Lands; or
- (vi) damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever of or to the Environment,

and including liabilities to compensate Third Parties for damages and losses resulting from the items described in items (i), (ii), (iii), (iv) and (v) above (including damage to property, personal injury and death) and obligations to take action to prevent or rectify damage to or otherwise protect the Environment;

- (bb) "**Royalty Owner**" has the meaning given to that term in the preamble hereof;
- (cc) "**Royalty Payor**" has the meaning given to that term in the preamble hereof;
- (dd) "**Royalty Well**" means any well from which production of Petroleum Substances are obtained from the Royalty Lands or may be allocated to the Royalty Lands pursuant to a pooling, unit or other arrangement;
- (ee) "**Sale Agreement**" has the meaning given to that term in the recitals hereof;
- (ff) "**Schedules**" has the meaning given to that term in Section 1.3;
- (gg) "**Spacing Unit**" means the area of the Royalty Lands allocated to a Royalty Well under Applicable Laws for production of applicable Petroleum Substances therefrom;
- (hh) "**Term**" has the meaning given to that term in Article 6;
- (ii) "**Third Party**" means any Person other than Royalty Payor and Royalty Owner;
- (jj) "**Title and Operating Documents**" means, collectively, the various leases, reservations, permits, licences, agreements and other documents of title, including those set forth and described in Schedule "A", relating to the ownership or operation by Royalty Payor of the Petroleum Substances in the Royalty Lands by virtue of which the holder is entitled to explore for, drill for, recover, own, remove or dispose of Petroleum Substances within, upon or under the Royalty Lands and all similar documents of title issued pursuant thereto, in replacement thereof or substitution therefor and all other documents relating to Royalty Payor's right, estate and interest in the Royalty Lands or the Petroleum Substances;
- (ii) "**Working Interest**" means the right, title and interest of Royalty Payor to explore for, drill for, extract, win, produce, take, save and market Petroleum Substances from the Royalty Lands, as set out in Schedule "A";

1.2 Interpretation

Unless otherwise stated or the context otherwise necessarily requires, in this Agreement:

- (a) the expressions "Article", "Section" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified article, section and schedule of or to this Agreement;
- (b) words importing the singular shall include the plural and vice versa;

- (c) all monetary amounts expressed herein or calculated or to be paid pursuant hereto shall be in Canadian dollars unless otherwise specified;
- (d) capitalized words and phrases used herein which are derivatives of words or phrases otherwise defined herein shall have a corresponding meaning;
- (e) any reference in this Agreement to Royalty Lands shall, where provided for in the applicable Title and Operating Documents, be construed to include lands pooled or unitized with the Royalty Lands;
- (f) any reference in this Agreement to an Applicable Law or to any consent, approval, permit or other authorization of a Governmental Authority shall be deemed to refer to such Applicable Law or such consent, approval, permit or other authorization of a Governmental Authority as it has been amended, supplemented, re-enacted, varied, or otherwise modified or replaced from time to time up to the applicable time;
- (g) where any payment or calculation is to be made, or any other action is to be taken, on or as of a day that is not a Business Day, that payment or calculation is to be made, or that other action is to be taken, as applicable, on or as of the next following Business Day;
- (h) unless otherwise specified, time periods within or following which any payment is to be made or any act is to be done under this Agreement shall be calculated by excluding the day on which the period commences and including the day on which such period ends;
- (i) the use of "including" or "includes" or similar words in this Agreement, when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items immediately following such word to those or similar items, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words or phrases of similar import) is used, but rather such references shall be construed to refer to all items that could reasonably fall within the broadest possible scope of such general statement, term or matter;
- (j) words such as "hereof", "herein" or "hereunder" shall mean "of", "in" or "under" this Agreement and not the specific section in which the reference occurs unless expressly otherwise noted;
- (k) the headings contained in this Agreement are intended for convenience of reference only and shall form no part of this Agreement; and
- (l) the rule of "*contra proferentem*" shall not apply to this Agreement; and
- (m) terms and expressions that are not specifically defined in this Agreement, but which have generally accepted meanings in the custom and usage of the petroleum and natural gas industry in Western Canada as of the date hereof, shall have such generally accepted meanings when used in this Agreement unless the contrary is specified or provided for elsewhere in this Agreement.

1.3 Schedules

The following schedules (the "**Schedules**") are attached to, form a part of and are incorporated in this Agreement:

- Schedule "A" – Royalty Lands
- Schedule "B" – Current Market Value

Wherever any term or condition of the Schedules conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

ARTICLE 2
OVERRIDING ROYALTY

2.1 Grant of Overriding Royalty

Effective as of the Effective Date, and in the manner provided for in this Agreement, Royalty Payor hereby grants and sets over to Royalty Owner, and Royalty Owner hereby acquires from Royalty Payor, the Overriding Royalty, which shall comprise an interest in the Petroleum Substances within, upon or under the Royalty Lands.

2.2 Interest in Land

- (a) It is the express intention of the Parties that the Overriding Royalty herein granted by Royalty Payor to Royalty Owner constitutes, and is to be construed as, an interest in land in the Royalty Lands. All terms, covenants, provisions and conditions of this Agreement shall run with and be binding upon the Royalty Lands, the Royalty Wells and the Title and Operating Documents, and the estates affected thereby for the Term.
- (b) Royalty Payor acknowledges and agrees that the Overriding Royalty is capable of supporting, and Royalty Owner is entitled to, as applicable, register a caveat of its interest against Royalty Payor's Working Interest under the *Land Titles Act* (Alberta) and the equivalent provincial legislation in those jurisdictions where the Royalty Lands are located. Royalty Payor shall cooperate with Royalty Owner in taking any commercially reasonable actions that are necessary or appropriate to support and defend the Parties' intentions set out in this Section 2.2, including any applicable registrations.
- (c) If the Royalty Wells ever become subject to a farmout, production penalty, forfeiture or similar reduction, suspension or loss by Royalty Payor of its rights to take or be paid for any portion of its Royalty Payor's Working Interest share of production of Petroleum Substances from the Royalty Wells after the Effective Date, Royalty Payor shall continue to be responsible to Royalty Owner for the Overriding Royalty on any such share of production of Petroleum Substances unless or until any Person acquiring or assuming that portion of the Royalty Payor's Working Interest is assigned and novated into this Agreement and assumes the Royalty Payor's obligations for the Overriding Royalty under this Agreement with respect to that percentage share of Royalty Payor's Working Interest.
- (d) Royalty Payor:
 - (i) acknowledges and agrees that it is forever estopped from taking any action whatsoever to argue, challenge, contest or contend in any manner whatsoever that the Overriding Royalty is not an interest in land;
 - (ii) waives any right or action that they may have to argue, challenge, contest or contend in any manner whatsoever that the Overriding Royalty is not an interest in land; and
 - (iii) specifically agrees not to commence any action to argue, challenge, contest or contend in any manner whatsoever that the Overriding Royalty is not an interest in land.

2.3 Quantification of Overriding Royalty

- (a) *Royalty Determination Methodology*: The gross volume of Petroleum Substances comprising the Overriding Royalty shall be determined, on a Royalty Well by Royalty Well basis, as follows:
 - (i) the volume of Petroleum Substances as metered, measured or allocated at the Point of Sale shall be allocated back to each Royalty Well on a fair and reasonable basis, consistent

with Royalty Payor's customary methodology, taking into account any usage or losses contemplated in Section 2.3(e); and

- (ii) of the Petroleum Substances allocated to a Royalty Well for the Term shall be nine percent (9%) of such Petroleum Substances.
- (b) *Quantification of Overriding Royalty*: Having regard for the Royalty Determination Methodology, the Overriding Royalty shall be quantified as follows:
- (i) if not taken in kind by Royalty Owner pursuant to Section 2.5, nine percent (9%), as applicable in accordance with Section 2.3(a)(ii), of the Price Factor applicable to Royalty Payor's Working Interest share of sale of Petroleum Substances produced from each Royalty Well; and
 - (ii) if taken in kind by Royalty Owner pursuant to Section 2.5, nine percent (9%), as applicable in accordance with Section 2.3(a)(ii), of the Petroleum Substances applicable to the Royalty Payor's Working Interest share produced from each Royalty Well, and available at the Point of Sale.
- (c) *Petroleum Substances Not Taken in Kind*: For the purposes of Section 2.3(b):
- (i) *Appointment as Agent*: Royalty Payor is appointed as the agent of Royalty Owner for the handling and disposition of the Overriding Royalty share of Petroleum Substances. When in the possession of Royalty Payor, the Petroleum Substances attributable to the Overriding Royalty and the proceeds of sale therefrom will be held as trustee for Royalty Owner and subject to the terms of this Agreement;
 - (ii) *Sale of Petroleum Substances*: Royalty Payor shall sell Royalty Owner's Overriding Royalty share of Petroleum Substances at the same price and on the same terms as Royalty Payor receives for its own share of Petroleum Substances attributable to Royalty Payor's Working Interest in the Royalty Lands, on a *pro-rata* basis with its own share of Petroleum Substances, provided that in connection with a sale to an Affiliate, price and terms shall not be less than the Price Factor.
- (d) *Deductions*: Other than as set forth herein, Royalty Owner's Overriding Royalty share of Petroleum Substances produced from the Royalty Lands will be free and clear of any and all deductions whatsoever for costs and expenses incurred by Royalty Payor to and including the Point of Sale.
- (e) *Petroleum Substances Used in Operations*: Notwithstanding the Royalty Determination Methodology and the quantification of the Overriding Royalty pursuant to Section 2.3(b), the Overriding Royalty will not include Petroleum Substances that Royalty Payor reasonably uses or loses in Royalty Payor's drilling, completion and production operations for the Royalty Lands or in the delivery of Petroleum Substances to, and handling at or prior to, the Point of Sale. Those drilling and production operations include the proportionate use of Royalty Owner's Overriding Royalty share of Petroleum Substances in batteries, treaters, compressors, separators, satellites and similar equipment serving the Royalty Wells, but do not include the use of Petroleum Substances for any enhanced recovery operations other than enhanced recovery operations on or in respect of the Royalty Lands.
- (f) *Other Hydrocarbons Used In Fracture Stimulation Programs*: Notwithstanding the Royalty Determination Methodology and the quantification of the Overriding Royalty pursuant to Section 2.3(b), any hydrocarbon substances used in a fracture stimulation program on a Royalty Well will not be regarded as Petroleum Substances as and when recovered from that Royalty Well. This Section 2.3(f) does not modify the Royalty Payor's obligations for any such hydrocarbon substances that originally were Petroleum Substances within, upon or under the Royalty Lands or

allocated thereto and that were produced from another Royalty Well for use in any such fracture stimulation program.

- (g) *Effect of Penalty Position:* Notwithstanding that Royalty Payor or any permitted assignee of Royalty Payor may have elected to be in a penalty position with respect to a Royalty Well following the date hereof, Royalty Payor shall nonetheless be required to pay the Overriding Royalty, to the extent it is not paid, without any discount whatsoever, to the Royalty Owner as if Royalty Payor was not in a penalty position with respect to such Royalty Well.
- (h) *Effect of Pooling or Unitization on Calculation:*
- (i) Royalty Payor may pool the Petroleum Substances attributed to Royalty Payor's Working Interest in the Royalty Lands to the extent required to form a Spacing Unit, without the prior consent of Royalty Owner, if the pooling allocates production therefrom to the applicable Royalty Lands in the proportion that the surface area of the Royalty Lands placed on the Spacing Unit bears to the total surface area of the Spacing Unit. Royalty Payor shall promptly give notice to Royalty Owner describing the extent to which the Royalty Lands have been pooled and describing the pooled Spacing Unit.
 - (ii) If Royalty Payor proposes to pool, unitize or otherwise combine any portion of the Royalty Lands with any other lands, other than as provided in Section 2.3(h)(i), Royalty Payor must promptly send notice of that intention to Royalty Owner. Such notice must include the technical justification for that pooling, unitization or combination and the proposed terms thereof, provided that Royalty Payor will not be required to provide interpretive data to Royalty Owner. Royalty Owner has the right to consent or withhold consent to such proposed pooling, unitization or other combination of a portion of the Royalty Lands and must advise Royalty Payor promptly of its decision following receipt of the notice of intention from Royalty Payor.
 - (iii) If any portion of the Royalty Lands is pooled, unitized or combined with any other lands pursuant to this Section 2.3(h), Sections 2.3(a) and (b) will be deemed to be amended to calculate the volume of the Overriding Royalty by applying the percentages set forth in Sections 2.3(a) and (b) to the quantity of Petroleum Substances thereby attributed to Royalty Payor's Working Interest in the affected Royalty Lands, but otherwise as contemplated by Sections 2.3(a) and (b).
- (i) *Overriding Royalty Not Subject to Other Burdens:* Except as specifically set forth herein, the Overriding Royalty shall not be subject to any royalties, burdens or other encumbrances payable by Royalty Payor in respect of Royalty Payor's Working Interest in the Royalty Lands or production of Petroleum Substances therefrom.

2.4 Monthly Accounting

- (a) Royalty Payor shall remit to the Royalty Owner all funds accruing to the Royalty Owner on account of the Overriding Royalty on or before the twenty-fifth (25th) day of the calendar month next following the calendar month in which those funds were received by Royalty Payor; provided that, for the purpose of the timing of receipt of proceeds in this Section 2.4, "received" will be read as "normally received" if the purchaser of those Petroleum Substances fails to pay Royalty Payor for that production provided that if such failure to pay is attributable to the default of the purchaser of such Petroleum Substances, Royalty Payor shall make such remittance within ten (10) Business Days of receipt.
- (b) On or about the date of remittance pursuant to Section 2.4(a), Royalty Payor will provide the Royalty Owner with a statement in written or electronic format showing, on a Royalty Well by Royalty Well

or unit basis, as applicable, in reasonable detail the manner in which Royalty Payor calculated that payment, including:

- (i) the quantity and kind of Petroleum Substances attributed to each Royalty Well on the basis of the Royalty Determination Methodology in the immediately preceding calendar month;
- (ii) the unit sale price for such Petroleum Substances and the Price Factor applicable thereto; and
- (iii) the quantification of the Overriding Royalty payable for such immediately preceding calendar month.

2.5 Right To Take In Kind

- (a) *Revocation of Agency and Election to Take in Kind:* Subject to the terms of the Title and Operating Documents, on a minimum of ninety (90) days' notice to Royalty Payor, Royalty Owner may revoke the agency established in Section 2.3(c), elect to take delivery of all or a portion of the Petroleum Substances comprising the Overriding Royalty at the Point(s) of Sale and separately dispose of the same, subject to the following:
 - (i) the right may be exercised by Royalty Owner separately for each type of Petroleum Substances, effective at the 1st day of the calendar month next following the minimum ninety (90) day period; and
 - (ii) Royalty Owner shall provide Royalty Payor with evidence, satisfactory to Royalty Payor, acting reasonably, that Royalty Owner has made arrangements to take its share of Petroleum Substances and dispose of them in compliance with the Title and Operating Documents; provided that if Royalty Owner does not provide such evidence on a timely basis, or having done so does not actually take such Petroleum Substances, shall be deemed to have failed to take those Petroleum Substances in kind and Section 2.5(d) shall apply.
- (b) *Re-Establishment of Agency:* Insofar as Royalty Owner has elected to revoke the agency established in Section 2.3(c), Royalty Owner may re-establish that agency on a minimum of ninety (90) days' notice to Royalty Payor, effective as of the 1st day of the calendar month next following the minimum ninety (90) day period. This right may be exercised separately for each type of Petroleum Substance. In connection therewith, Royalty Payor may request that Royalty Owner novate Royalty Payor (in accordance with Royalty Owner's share of Petroleum Substances elected to be taken in kind) into the transportation, marketing and sale agreements utilized by Royalty Owner for the handling and sale of such Petroleum Substances and upon such request Royalty Owner shall cause Royalty Payor to be assigned and novated into such arrangements, as Royalty Payor so elects.
- (c) *Royalty Payor's and Royalty Owner's Obligations:*
 - (i) If Royalty Owner takes in-kind its Overriding Royalty share of Petroleum Substances at the Point of Sale:
 - (A) Royalty Payor will, at Royalty Payor's cost, remove basic sediment and water from those Petroleum Substances to the extent it does so for its own Petroleum Substances prior to the Point of Sale;
 - (B) Royalty Payor will provide Royalty Owner, at Royalty Payor's cost, production tankage capacity for an accumulation of the Overriding Royalty share of those

Petroleum Substances consistent with Royalty Payor's ordinary course of business, provided that to the extent Royalty Payor incurs a cost incremental to what it would have incurred had Royalty Owner not taken in-kind its Overriding Royalty and accumulated its Overriding Royalty share of Petroleum Substances outside of the ordinary course, such incremental cost shall be borne by Royalty Owner;

- (C) Royalty Payor will deliver the Overriding Royalty share of those Petroleum Substances to Royalty Owner, or Royalty Owner's nominee, at the Point of Sale free and clear of all charges except for those set forth in Section 2.5; and
 - (D) Royalty Owner will assume sole responsibility for all costs and expenses incurred for the transportation, processing or other handling of Petroleum Substances delivered to it herein and therefrom and beyond the Point of Sales.
- (d) *Failure to Take-in Kind:* Unless otherwise agreed to by Royalty Payor and Royalty Owner, if and only if Royalty Owner elects to take its Overriding Royalty share of Petroleum Substances in kind, but fails to (or is deemed to have failed to) take possession thereof at the Point of Sale, Royalty Payor shall take possession of such Petroleum Substances as agent of Royalty Owner and shall dispose of those Petroleum Substances by:
- (i) selling those Petroleum Substances at Price Factor or such lower price as is reasonable in the circumstances, adjusted for deductions, in such case only, to the Point of Sale in an amount not to exceed the reasonable costs and expenses incurred by Royalty Owner to bring those Petroleum Substances to the Point of Sale; or
 - (ii) purchasing those Petroleum Substances for Royalty Payor's own account (or the account of an Affiliate) at Price Factor and accounting to Royalty Owner therefor.

2.6 Royalty Payor's Allowed Deductions

- (a) *Required Actions to Meet Specifications:* Royalty Payor may deduct against the gross proceeds of sale of the Overriding Royalty share of Petroleum Substances any such expenses incurred by Royalty Payor to enrich those Petroleum Substances in order to facilitate transportation or otherwise meet marketing, pipeline or sales specifications.
- (b) *Deductions Expressed As Cash Obligations:* The allowable deductions from the proceeds of sale of the Royalty Owner's Overriding Royalty share of Petroleum Substances are expressed as cash obligations for convenience of record keeping and audit. This handling is not to be construed as altering the nature of the Overriding Royalty as an interest in land.

2.7 Special Enrichment and Blending Operations

Provided that Royalty Owner has not elected under Section 2.5 to take its Overriding Royalty share of the Petroleum Substances in kind, Royalty Payor shall have the option but not the obligation to purchase from Royalty Owner its Overriding Royalty share of the Petroleum Substances or such portion thereof from Royalty Owner, in connection with Royalty Payor's enrichment or blending operations, if any, at a purchase price equal to the Overriding Royalty amount for such Petroleum Substances as if such enrichment or blending operations were not being performed.

2.8 Books, Records and Audit Right

- (a) Royalty Payor shall keep and maintain true and correct books, records and accounts showing credits and charges hereunder and the kind and quantity of Petroleum Substances produced from

and attributed to Royalty Payor's Working Interest in the Royalty Lands, the disposition thereof and the price obtained therefor.

- (b) Royalty Owner may, upon reasonable notice to Royalty Payor and at Royalty Owner's own expense, audit the books, records and accounts of Royalty Payor, including production accounting and marketing records, with respect to the production, disposition or sale of the Overriding Royalty within twenty-four (24) months next following the end of the applicable calendar year. Royalty Owner will conduct any such audit in accordance with PASC Joint Venture Audit Protocol Bulletin No. 6 (or any replacement therefor).
- (c) Any statement issued by Royalty Payor to Royalty Owner respecting the calculation of the Overriding Royalty will be presumed to be true and correct twenty-six (26) months following the end of the calendar year in which that statement was issued, unless a Party takes bona fide written exception thereto and requests an adjustment pursuant to this Section 2.8 within that twenty-six (26) month period.
- (d) Any discrepancies disclosed by such audit shall be identified in writing to Royalty Payor within sixty (60) days following the completion of such audit, and Royalty Payor shall respond in writing to any claims or discrepancies within 180 days of the receipt of such notice of claim or discrepancies. If Royalty Payor does not respond in such 180 day period, a credit for the disputed amount shall be deemed to be made in favour of Royalty Owner.
- (e) To the extent that Royalty Payor and Royalty Owner are unable to resolve any outstanding claims or discrepancies disclosed by such audit within thirty (30) days of the response of Royalty Payor, such audit exceptions shall be resolved by a nationally or internationally recognized firm of chartered accountants as may be selected by Royalty Payor and Royalty Owner, which shall be requested to render its decision without qualifications, other than the usual qualifications relating to engagements of this nature, within fourteen (14) days after the dispute is referred to it.
- (f) The decision of the accounting firm shall be final and binding upon the Parties and shall not be subject to appeal by any Party. The costs and expenses of the accounting firm shall be borne equally by the Parties. Notwithstanding the foregoing audit period limitation, Royalty Owner's audit rights under this Section 2.8 shall be extended for the time period, and in respect of those books, records and accounts, as may be reasonably necessary to permit Royalty Owner to verify refunds or payments to be received or made by it pursuant to this Agreement.

ARTICLE 3 OPERATIONS

3.1 Rateable Production

Subject to the occurrence of a Force Majeure Event impacting production from a Royalty Well, Royalty Payor will not discriminate against the Petroleum Substances attributed to Royalty Payor's Working Interest in the Royalty Lands in the production and marketing of those Petroleum Substances because those Petroleum Substances are subject to the Overriding Royalty. Where it is the operator of a Royalty Well, Royalty Payor will not produce Petroleum Substances from a Royalty Well inequitably with production from any diagonally or laterally offsetting well operated by Royalty Payor and producing from the same pool as a Royalty Well, insofar as the Royalty Payor, or its Affiliate, has an interest in that offsetting well, because the Petroleum Substances are subject to the Overriding Royalty.

3.2 Well Information and Additional Records

Royalty Payor will make available to Royalty Owner Royalty Payor's production volume reporting for each Royalty Well through "Data Scavenger" or such other system as provides comparable information and is used in the ordinary course of Royalty Payor's business. Further, Royalty Payor will provide Royalty

Owner with quarterly unaudited financial statements as soon as practicable following the end of the quarter, audited annual financial statements as soon as available following the end of the fiscal year end and an annual independent reserve report prepared by a firm reasonable acceptable to Royalty Owner.

3.3 Maintenance of Royalty Lands

Royalty Payor shall, at its own cost, pay for all rentals, royalties, taxes, expenses and charges payable under the provisions of the Title and Operating Documents with respect to the Royalty Lands and any wells, facilities or equipment on the Royalty Lands and the production of the Petroleum Substances therefrom. Royalty Payor shall, at its own cost, keep the Royalty Lands and the Title and Operating Documents in good standing, provided that nothing shall require Royalty Payor to undertake any operation that would be required to extend, continue or renew a Title and Operating Document.

3.4 Surrender and Abandonment of Royalty Lands

- (a) Notwithstanding anything to the contrary in this Agreement, if Royalty Payor determines *bona fide* and in good faith that the Title and Operating Documents pertaining to any portion of the Royalty Lands should be surrendered to the issuer of the Title and Operating Documents, or that such Title and Operating Documents should be allowed to expire, Royalty Payor shall be entitled to proceed with such surrender, or to allow such expiry to occur, and upon the surrender or expiry becoming effective the Overriding Royalty shall no longer be payable in respect of the applicable Royalty Lands, provided that if within twelve (12) months of such surrender or expiry Royalty Payor or any Affiliate of Royalty Payor acquires, directly or indirectly, a right, title, estate or interest in respect of the Royalty Lands or any portion thereof so terminated, surrendered or allowed to expire, such reacquired interest shall be subject to the Overriding Royalty and the terms and conditions of this Agreement, except to the extent such acquisition occurs as a result of an acquisition of a Person holding such right, title, estate or interest where such right, title, estate or interest does not comprise all or substantially all of such Person's assets.
- (b) Royalty Payor shall have full right, power and authority without the prior consent of Royalty Owner to convert or abandon any Royalty Well if Royalty Payor determines that such Royalty Well is not capable of producing Petroleum Substances in paying quantities, as determined by Royalty Payor, acting reasonably.
- (c) Royalty Payor shall provide Royalty Owner with written notice of all Title and Operating Documents that are allowed to expire.

3.5 Control Over Development

Except as otherwise provided in this Agreement, as between Royalty Payor and Royalty Owner, Royalty Payor shall have exclusive control and authority over development of, and recovery of Petroleum Substances from, the Royalty Lands including, without limitation, making all decisions respecting whether, when and how to drill, complete, equip, produce, suspend, convert, abandon and shut-in wells and whether to elect to convert royalties to working interests. In furtherance thereof, Royalty Payor shall have the right to enter into and amend the Title and Operating Documents from time to time on such terms and conditions as it considers appropriate, provided that it acts in accordance with prudent oil and gas industry practices and in good faith in connection therewith. Notwithstanding the foregoing, Royalty Payor shall not effect, or consent to effect, a change of "operator" under any of the Title and Operating Documents without the prior consent of the Royalty Owner, such consent not to be unreasonably withheld or delayed.

3.6 Restrictions on Further Royalty Grants

Notwithstanding Section 3.5, during the Term, Royalty Payor acknowledges, covenants and agrees that it shall not further grant or sell any additional overriding royalty on the Royalty Lands in any manner

that would have a material adverse effect on Royalty Payor's ability to economically develop the Royalty Lands, taken as a whole, unless otherwise agreed to in writing by Royalty Owner, acting reasonably.

3.7 Acknowledgement and Indemnity for Operations

- (a) Royalty Payor acknowledges that, except for Royalty Owner's rights and obligations under Section 2.5 with respect to Royalty Owner's right to take its Overriding Royalty share of Petroleum Substances in-kind and except as contemplated in Section 3.6(c), Royalty Owner is not liable for any of the duties and obligations arising under the Title and Operating Documents.
- (b) Royalty Payor shall indemnify and save Royalty Owner, its Affiliates and each of their respective directors, officers, employees, servants and agents, harmless from and against, all actions, suits, claims, costs, demands and expenses, including legal fees on a solicitor-client basis, which may be brought against any of them or that any of them may suffer, sustain, pay or incur, by reason of any matter or thing arising out of or in any way attributable to the operations carried on by or on behalf of Royalty Payor on or in connection with Royalty Payor's Working Interest in the Royalty Lands and to the Royalty Lands Environmental Liabilities, except to the extent attributable to Petroleum Substances taken in kind by Royalty Owner or attributable to the acts or omissions of Royalty Owner or its personnel, contractors or other representatives.
- (c) Royalty Owner shall indemnify and save Royalty Payor, its Affiliates and each of their respective directors, officers, employees, servants and agents, harmless from and against, all actions, suits, claims, costs, demands and expenses, including legal fees on a solicitor-client basis, which may be brought against any of them or that any of them may suffer, sustain, pay or incur, by reason of any matter or thing arising out of or in any way attributable to Petroleum Substances taken in kind by Royalty Owner or attributable to the negligence of Royalty Owner or its personnel, contractors or other representatives in connection with this Agreement.

ARTICLE 4 PAYMENT DEFAULT

4.1 Payment Default

If a Payment Default has occurred and is continuing, Royalty Owner shall have the right to:

- (a) charge interest on any unpaid amounts at 5% calculated monthly from the day such payment is due until the day it is paid;
- (b) set-off against any amount unpaid by Royalty Payor, any sums due or accruing to Royalty Payor or any Affiliate of Royalty Payor from Royalty Owner under this Agreement or any other agreement between Royalty Owner and Royalty Payor or any Affiliate of Royalty Payor;
- (c) maintain an action or actions for such unpaid amounts and interest thereon on a continuing basis as such amounts are payable, but not paid, as if the obligation to pay such amounts and the interest thereon were liquidated demands due and payable on the relevant date such amounts were due to be paid, without any right or resort to set-off or counter-claim by Royalty Payor;
- (d) either appoint a new agent to act in the place and stead of Royalty Payor for the purposes of Section 2.3(c), or to appoint itself as agent;
- (e) immediately commence to take in-kind all or a portion of the Petroleum Substances comprising the Overriding Royalty in accordance with the provisions of Section 2.5, but without regard to the notice requirements set forth in Section 2.5;

- (f) review the records of Royalty Payor regarding sales of Petroleum Substances produced from Royalty Payor's Working Interest in the Royalty Lands and Royalty Payor shall be required to forthwith provide to Royalty Owner or its agent, such records; or
- (g) treat the Payment Default as an immediate and automatic assignment to Royalty Owner of the proceeds of sale attributed to the Overriding Royalty share of the Petroleum Substances from the Royalty Lands, and give notice to purchasers of Petroleum Substances from Royalty Payor requiring them to pay the proceeds of sale of the Overriding Royalty share of Petroleum Substances from Royalty Lands directly to the duly appointed agent of Royalty Owner, which may be Royalty Owner, and such purchasers of Petroleum Substances shall be entitled to rely upon notice from Royalty Owner to such effect and to thereafter pay the proceeds of sale accordingly.

ARTICLE 5
ASSIGNMENT AND CHANGE OF CONTROL

5.1 Assignment by Royalty Owner

Royalty Owner may transfer or assign its interest in the Overriding Royalty, in whole or in part, on written notice to Royalty Payor; provided, however, that as a condition to the completion of such assignment Royalty Owner shall cause the assignee of Royalty Owner's interest in the Overriding Royalty to execute and deliver to Royalty Payor an instrument in writing pursuant to which such assignee agrees to be bound by, assume and perform all of the obligations of Royalty Owner (or that portion of Royalty Owner's interest in the Overriding Royalty being assigned) under this Agreement.

5.2 Assignment by or Change of Control of Royalty Payor

- (a) Royalty Payor may not:
 - (i) transfer or assign its interest in this Agreement to any Person;
 - (ii) complete any transaction that will result in the sale, assignment, transfer, conveyance or other form of disposition of all or substantially all of its assets including, for certainty, its interest in the Royalty Lands;
 - (iii) complete, participate in or consent to the completion of any transaction that will result in the change of Control of Royalty Payor; or
 - (iv) subject to the terms and conditions of the Title and Operating Documents, change, or consent to or otherwise permit the change of, any operator of the Royalty Lands or Royalty Wells thereon;

without first receiving the written consent of Royalty Owner, which consent may not be unreasonably withheld, conditioned or delayed.

- (b) Notwithstanding Section 5.2(a), Royalty Owner and Royalty Payor acknowledge and agree that: (i) Royalty Owner has assigned or will hereinafter assign, all of its right, title and interest in and to this Agreement to Arena pursuant to the Arena Security, (ii) Royalty Payor has assigned or will hereinafter assign, all of its right title and interest in and to this Agreement to AIMCo and Arena (or either of them), (iii) the grant of the Arena Security or the AIMCo Security, as applicable, shall not be restricted by this Agreement or cause a default or breach of this Agreement, and (iv) the enforcement of the Arena Security or the AIMCo Security (including the appointment of a receiver or receivers), as applicable, shall not be restricted by this Agreement or cause a default or breach of this Agreement.

- (c) In circumstances where Royalty Owner provides its consent to a transaction described in Section 5.2(a)(i) or (ii), the 1993 Canadian Association of Petroleum Landmen (CAPL) Assignment Procedure (or the most current replacement therefor then endorsed for use by CAPL) shall apply to such transaction and is hereby deemed to be incorporated by reference into this Agreement (and will be deemed to apply as if it has been made a schedule to this Agreement) using the addresses for service provided in this Agreement for the purposes of effecting such transfer or assignment by Royalty Payor. Subclause 24.04B of the standard form 2015 CAPL Operating Procedure will apply, *mutatis mutandis*, for the purposes of processing any notice of assignment thereunder in circumstances in which the Parties' interest are inconsistent in the Royalty Lands.

ARTICLE 6 TERM AND TERMINATION

This Agreement shall be effective as of the Effective Date and shall continue in effect until terminated by the Parties on mutual agreement (the "Term").

ARTICLE 7 GENERAL

7.1 Further Assurances

Each Party will, from time to time and at all times hereafter, without further consideration, except as otherwise provided in this Agreement, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

7.2 Entire Agreement

The provisions contained in any and all documents and agreements collateral or incorporated by reference hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail. This Agreement supersedes all other agreements, documents, writings and verbal understandings among the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the subject matter hereof.

7.3 Governing Law

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and applicable laws of Canada and shall, in all respects, be treated as a contract made in the Province of Alberta. The Parties hereto irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of or in connection with this Agreement.

7.4 Enurement

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective heirs, executors, administrators, trustees, receivers, successors and permitted assigns.

7.5 Time of Essence

Time shall be of the essence in this Agreement.

7.6 Notices

- (a) The addresses for service and the email addresses of the Parties shall be as follows:

Royalty Payor: RAZOR ENERGY CORP.
Suite 800, 500 - 5th Ave. S.W.
Calgary, AB T2P 3L5

Attention: Doug Bailey
Email: dbailey@razor-energy.com

Royalty Owner: RAZOR ROYALTIES LIMITED PARTNERSHIP
c/o Razor Holdings GP Corp.
Suite 800, 500 - 5th Ave. S.W.
Calgary, AB T2P 3L5

Attention: Doug Bailey
Email: dbailey@razor-energy.com

- (b) All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:
- (i) by personal service on a Party at the address of such Party set out above, in which case the item so served shall be deemed to have been received by that Party when personally served;
 - (ii) by email to a Party to the email address of such Party set out above, in which case the item so emailed shall be deemed to have been received by that Party when properly transmitted; or
 - (iii) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by mailing first class registered post, postage prepaid, to a Party at the address of such Party set out above, in which case the item so mailed shall be deemed to have been received by that Party on the third Business Day following the date of mailing (the date of mailing being the Business Day immediately prior to the postmarked date of the envelope containing the notice, communication or statement or if the subject envelope has been lost or destroyed, the date of such notice, communication or statement or if undated the date of the transmittal letter accompanying the same).
- (c) A Party may from time to time change its address for service or its email address or both by giving written notice of such change to the other Party.

7.7 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

7.8 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver of any provision of this Agreement, including this Section 7.8, shall be effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of the Party making such waiver.

7.9 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

7.10 Future Disclosures

Royalty Payor agrees to provide Royalty Owner (including, without limitation, any auditors, accountants, legal, engineering and other advisors engaged by Royalty Owner), at the sole risk, cost and expense of Royalty Owner, such additional information as Royalty Owner may hereafter require, and to make, at Royalty Owner's cost, available such of Royalty Payor's personnel as may be reasonably required by Royalty Owner, to satisfy any disclosure and other obligations or requirement of Royalty Owner relating to the Overriding Royalty and the Royalty Lands now or hereafter arising under any national instrument or local securities commission rule, including specifically in relation to engineering reports and data relating to the Overriding Royalty and the Royalty Lands.

7.11 Confidentiality

- (a) Each Party entitled to information hereunder or pursuant to this Agreement may use such information for its sole benefit. However, the Parties shall take such measures with respect to operations and internal security as are appropriate in the circumstances to keep confidential from Third Parties all such information, except information which the Parties have expressly agreed in writing to release and information disclosed by a Party:
- (i) when and to the extent required by Applicable Laws and securities regulation or policy or requested by legal process or regulatory authority applicable to such Party, provided that such Party shall provide prompt written notice to the other Party and invoke any confidentiality protection permitted by law;
 - (ii) to an Affiliate, provided that if such Affiliate carries on a business that includes the ownership or operation of oil and gas working interests, such Party shall cause such Affiliate to not use such confidential information in a manner so as to gain a competitive advantage over Royalty Payor or its Affiliates and shall require such of Royalty Owner's Affiliate to maintain the confidential status of the disclosed information in accordance with this Section 7.11, and such Party shall be liable for any loss suffered by the Parties, or any of them, because of the failure of such Affiliate to refrain from using the confidential information in a manner so as to gain a competitive advantage over Royalty Payor or to maintain such information confidential;
 - (iii) to a Third Party to which such Party has been permitted to assign its interest, or portion of its interest hereunder, provided that a binding covenant is obtained from such Third Party prior to disclosure which provides, inter alia, that none of such information shall be disclosed by it to any other Third Party; and
 - (iv) to the technical, financial or other professional consultants of such Party which require such information to provide their services to such Party or other financial institution from which such Party is attempting to obtain financing, provided that a binding covenant is obtained from such consultant or financier, as the case may be, prior to such disclosure, which provides, inter alia, that none of such information shall be disclosed by it to any other Third Party or used for any purposes other than advising such Party or providing financing to such Party, as applicable.

Notwithstanding the foregoing, the confidentiality obligation hereunder shall not extend to information to the extent that it is in the public domain, provided that specific items of information

shall not be considered to be in the public domain merely because more general information is in the public domain.

- (b) Notwithstanding the foregoing, any Party that ceases to be bound by the provisions of this Agreement shall nevertheless remain bound by the provisions of this Section 7.11 with respect to information obtained hereunder or pursuant to this Agreement until and to the extent that such information is in the public domain.

7.12 Limitations Act

The two-year period for seeking a remedial order under section 3(1)(a) of the *Limitations Act* (Alberta) for any claim (as defined therein) arising in connection with this Agreement is extended to:

- (a) for claims disclosed by an audit, two (2) years after the time this Agreement permitted that audit to be performed; or
- (b) for all other claims, four (4) years.


7.13 Counterpart Execution

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by fax or email, and all the counterparts together constitute one and the same agreement.

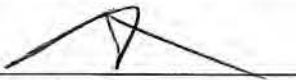
[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF the Parties have executed this Agreement with effect as of the Effective Date.

RAZOR ENERGY CORP.

Per: 
Name: Doug Bailey
Title: Chief Executive Officer

RAZOR ROYALTIES LIMITED PARTNERSHIP, by its
General Partner, **RAZOR HOLDINGS GP CORP.**

Per: 
Name: Doug Bailey
Title: Chief Executive Officer

This is Exhibit "F"
Referred to in the Affidavit of
GREGORY WHITE

Sworn before me this 5th day of
November, 2024.

Marjorie Chavez

Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

OVERRIDING ROYALTY AGREEMENT

THIS OVERRIDING ROYALTY AGREEMENT (“**Agreement**”) is made effective as of the Effective Date.

BETWEEN:

RAZOR ENERGY CORP., a corporation existing under the laws of the Province of Alberta (“**Royalty Payor**”),

- and –

RAZOR ROYALTIES LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of Alberta (“**Royalty Owner**”).

WHEREAS:

- A. Pursuant to a royalty purchase and sale agreement dated as of the Effective Date between Royalty Payor and Royalty Owner (the "**Sale Agreement**"), Royalty Owner has purchased and acquired from Royalty Payor the Overriding Royalty; and
- B. The Parties desire to provide that, from and after the Effective Date, the Royalty Lands shall be subject to the terms of this Agreement.

NOW THEREFORE in consideration of the transactions provided for under the Sale Agreement and the premises and mutual covenants hereinafter set forth, the Parties agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 **Definitions**

In this Agreement, unless the context otherwise requires:

- (a) "**Affiliate**" means, in respect of a Party:
 - (i) a Person that Controls the Party;
 - (ii) a Person that is Controlled by the Party; or
 - (iii) a Person that is under common Control with the Party;
- (b) "**Agreement**" has the meaning given to that term in the preamble hereof;
- (c) "**AIMCo**" means Alberta Investment Management Corporation, in its capacity as agent pursuant to the AIMCo Loan Agreement, and its successors in such capacity;
- (d) "**AIMCo Loan Agreement**" means the second amended and restated loan agreement among, inter alios, the Royalty Payor, as borrower, AIMCo and the lenders from time to time party thereto, as further amended, supplemented, renewed, restated or replaced from time to time;
- (e) "**AIMCo Security**" means the security held by AIMCo over the assets of Royalty Payor in respect of the Royalty Payor's indebtedness under and in connection with the AIMCo Loan Agreement, as such security may be amended, supplemented, renewed, restated or replaced from time to time;

- (f) **"Applicable Laws"** means:
- (i) all laws and statutes, including regulations, rules, bylaws, ordinances and other statutory instruments enacted thereunder;
 - (ii) all judgments, decrees, rulings and orders of courts, tribunals, commissions and other similar bodies of competent jurisdictions;
 - (iii) all orders, rules, directives, policies and guidelines having force of law issued by any Governmental Authority; and
 - (iv) requirements of any stock exchange,
- that are in effect as of the relevant time and are applicable to the Royalty Lands and the Parties;
- (g) **"Arena"** means 405 Dolomite LLC, in its capacity as agent pursuant to the Arena Loan Agreement, and its successors in such capacity.
- (h) **"Arena Loan Agreement"** means the loan agreement among, inter alios, the Royalty Owner, as borrower, Royalty Payor, as guarantor, Arena and the lenders from time to time party thereto, as amended, supplemented, renewed, restated or replaced from time to time.
- (i) **"Arena Security"** means the security held by Arena over the assets of Royalty Payor and Royalty Owner in respect of the Royalty Owner's indebtedness and Royalty Payor's obligations under and in connection with the Arena Loan Agreement, as such security may be amended, supplemented, renewed, restated or replaced from time to time.
- (j) **"Business Day"** means any day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;
- (k) **"Control"** means the possession, directly or indirectly, by a Person or group of Persons acting in concert, of the power to direct or cause the direction of the management or policies of another Person, whether through the ownership of voting securities, by contract or otherwise;
- (l) **"Current Market Value"** has the meaning given to that term in Schedule "B";
- (m) **"Effective Date"** means August 12, 2021;
- (n) **"Environment"** includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant, human and animal life;
- (o) **"Force Majeure Event"** means any act, event, cause or condition that prevents a Party from performing its obligations (other than payment obligations) hereunder, but only if and to the extent such event or circumstance could not reasonably have been anticipated as at the date hereof and is beyond the affected Party's reasonable control and was not caused, directly or indirectly, by the fault or negligence of the Party seeking to have its performance obligation excused thereby, and shall include, without limitation:
- (i) acts of God, including extreme wind, ice, lightning or other storms, earthquakes, tornadoes, hurricanes, cyclones, landslides, drought, floods and washouts, fires or explosions;
 - (ii) local, regional or national states of emergency;
 - (iii) strikes and other labour disputes; or

- (iv) civil disobedience or disturbances, war (whether declared or not), acts of sabotage, blockades, insurrections, terrorism, revolution, riots, pandemics or epidemics;
- (p) **"Governmental Authority"** means any:
 - (i) federal, provincial, state, municipal, local or other governmental entity or authority of any nature, including any governmental ministry, agency, branch, department or official, and any court, regulatory board or other tribunal; or
 - (ii) individual or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory or taxing authority or power of any nature, having jurisdiction over the Parties or the Royalty Lands;
- (q) **"Overriding Royalty"** means the non-convertible gross overriding royalty of nine percent (9%) payable on Royalty Payor's Working Interest share of the gross monthly production of all Petroleum Substances produced from the Royalty Lands that is granted to Royalty Owner pursuant to Section 2.1;
- (r) **"Parties"** means, collectively, Royalty Owner and Royalty Payer, and **"Party"** means either Royalty Owner or Royalty Payor, as applicable;
- (s) **"Payment Default"** means the failure by Royalty Payor to pay the Overriding Royalty or any other amounts owing to Royalty Owner under this Agreement within ten (10) Business Days of receiving notice of such default from Royalty Owner;
- (t) **"Person"** means any individual, body corporate, partnership, trust, trustee, executor or similar official, Governmental Authority or other entity and includes the Parties;
- (u) **"Petroleum Substances"** means any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, including without limitation sulphur and coal bed methane, but excluding coal, produced water and lithium brine;
- (v) **"Point of Sale"** means:
 - (i) in the event Royalty Payor makes such election to purchase the Royalty Owner's share of the Petroleum Substances under Section 2.8, at the point immediately prior to the inlet flange of Royalty Payor's enrichment/blending facilities whereupon the applicable Petroleum Substances are metered, measured or allocated, provided such point occurs after all cleaning and processing in respect of the Petroleum Substances has been completed, including without limitation the treatment and removal of basic sediment, water (including dehydration), heat and other applicable impurities; and
 - (ii) in the event Royalty Payor does not make such election to purchase the Royalty Owner's share of the Petroleum Substances under Section 2.8:
 - (A) in respect of Petroleum Substances produced from the Royalty Lands handled at a battery of Royalty Payor, the lease automatic custody transfer unit of the battery of Royalty Payor from which Petroleum Substances produced from the Royalty Lands can be made available for sale to an arm's length purchaser, provided that if such Petroleum Substances are handled at more than one battery of Royalty Payor, the "Point of Sale" shall refer to the lease automatic custody transfer unit of the last battery of Royalty Payor at which such Petroleum Substances are handled; and

- (B) otherwise, the first point at which Petroleum Substances produced from the Royalty Lands could ordinarily be made available for sale to an arm's length purchaser;

provided that, notwithstanding the above, should Royalty Owner elect to take in kind pursuant to Section 2.5, the point of sale shall be the point immediately prior to the inlet flange of any Third Party processing facility whereupon the applicable Petroleum Substances are metered, measured or allocated, provided such point occurs after all the treatment and removal of basic sediment, water (including dehydration) and other applicable impurities;

- (w) **"Price Factor"** means:
 - (i) the actual sales price received, provided that the sale was to an arm's length purchaser; and
 - (ii) in all other circumstances, the greater of:
 - (A) the actual sales price received; and
 - (B) the Current Market Value, for the appropriate Petroleum Substance as it relates to the applicable Royalty Well;
- (x) **"Prime Rate"** means a rate of interest equal to the annual rate of interest announced from time to time by the main Calgary branch of the Royal Bank of Canada as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada;
- (y) **"Royalty Determination Methodology"** means the methodology described in Section 2.3(a);
- (z) **"Royalty Lands"** means the lands and interests therein that are set forth and described in Part 1 of Schedule "A" (excepting out the lands and interests therein that are set forth and described in Part 2 of Schedule "A") insofar as rights pertaining to the Petroleum Substances underlying those lands are granted by the Title and Operating Documents, and so much of those lands as remain subject to this Agreement, the Sale Agreement and the Title and Operating Documents, together with the right to explore for and recover Petroleum Substances from within those lands, to the full extent of Royalty Payor's Working Interest therein;
- (aa) **"Royalty Lands Environmental Liabilities"** means all losses and liabilities that relate to the Royalty Payor's Working Interest in the Royalty Lands and Petroleum Substances attributed to Royalty Payor's Working Interest in the Royalty Lands or that arise in connection with the ownership thereof or operations pertaining thereto, whether it has arisen in the past, hereof, or hereafter, including liabilities related to or arising from:
 - (i) abandonment and reclamation obligations arising under or pursuant to the Applicable Laws;
 - (ii) past, present or future transportation, storage, use, holding or disposal of toxic or hazardous substances or waste;
 - (iii) leaching, migration, release, spill, escape or emission of toxic or hazardous substances or waste;
 - (iv) obligations to test, monitor, remediate, protect or clean-up the Environment;

- (v) the costs of complying with any environmental order or direction of any Governmental Authority having jurisdiction over the Royalty Lands or Petroleum Substances in the Royalty Lands; or
- (vi) damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever of or to the Environment,

and including liabilities to compensate Third Parties for damages and losses resulting from the items described in items (i), (ii), (iii), (iv) and (v) above (including damage to property, personal injury and death) and obligations to take action to prevent or rectify damage to or otherwise protect the Environment;

- (bb) "**Royalty Owner**" has the meaning given to that term in the preamble hereof;
- (cc) "**Royalty Payor**" has the meaning given to that term in the preamble hereof;
- (dd) "**Royalty Well**" means any well from which production of Petroleum Substances are obtained from the Royalty Lands or may be allocated to the Royalty Lands pursuant to a pooling, unit or other arrangement;
- (ee) "**Sale Agreement**" has the meaning given to that term in the recitals hereof;
- (ff) "**Schedules**" has the meaning given to that term in Section 1.3;
- (gg) "**Spacing Unit**" means the area of the Royalty Lands allocated to a Royalty Well under Applicable Laws for production of applicable Petroleum Substances therefrom;
- (hh) "**Term**" has the meaning given to that term in Article 6;
- (ii) "**Third Party**" means any Person other than Royalty Payor and Royalty Owner;
- (jj) "**Title and Operating Documents**" means, collectively, the various leases, reservations, permits, licences, agreements and other documents of title, including those set forth and described in Part 1 of Schedule "A" (excepting out any leases, reservations, permits, licences, agreements and other documents of title that are set forth and described in Part 2 of Schedule "A"), relating to the ownership or operation by Royalty Payor of the Petroleum Substances in the Royalty Lands by virtue of which the holder is entitled to explore for, drill for, recover, own, remove or dispose of Petroleum Substances within, upon or under the Royalty Lands and all similar documents of title issued pursuant thereto, in replacement thereof or substitution therefor and all other documents relating to Royalty Payor's right, estate and interest in the Royalty Lands or the Petroleum Substances; and
- (ii) "**Working Interest**" means the right, title and interest of Royalty Payor to explore for, drill for, extract, win, produce, take, save and market Petroleum Substances from the Royalty Lands.

1.2 Interpretation

Unless otherwise stated or the context otherwise necessarily requires, in this Agreement:

- (a) the expressions "Article", "Section" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified article, section and schedule of or to this Agreement;
- (b) words importing the singular shall include the plural and vice versa;

- (c) all monetary amounts expressed herein or calculated or to be paid pursuant hereto shall be in United States dollars unless otherwise specified;
- (d) capitalized words and phrases used herein which are derivatives of words or phrases otherwise defined herein shall have a corresponding meaning;
- (e) any reference in this Agreement to Royalty Lands shall, where provided for in the applicable Title and Operating Documents, be construed to include lands pooled or unitized with the Royalty Lands;
- (f) any reference in this Agreement to an Applicable Law or to any consent, approval, permit or other authorization of a Governmental Authority shall be deemed to refer to such Applicable Law or such consent, approval, permit or other authorization of a Governmental Authority as it has been amended, supplemented, re-enacted, varied, or otherwise modified or replaced from time to time up to the applicable time;
- (g) where any payment or calculation is to be made, or any other action is to be taken, on or as of a day that is not a Business Day, that payment or calculation is to be made, or that other action is to be taken, as applicable, on or as of the next following Business Day;
- (h) unless otherwise specified, time periods within or following which any payment is to be made or any act is to be done under this Agreement shall be calculated by excluding the day on which the period commences and including the day on which such period ends;
- (i) the use of "including" or "includes" or similar words in this Agreement, when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items immediately following such word to those or similar items, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words or phrases of similar import) is used, but rather such references shall be construed to refer to all items that could reasonably fall within the broadest possible scope of such general statement, term or matter;
- (j) words such as "hereof", "herein" or "hereunder" shall mean "of", "in" or "under" this Agreement and not the specific section in which the reference occurs unless expressly otherwise noted;
- (k) the headings contained in this Agreement are intended for convenience of reference only and shall form no part of this Agreement; and
- (l) the rule of "*contra proferentem*" shall not apply to this Agreement; and
- (m) terms and expressions that are not specifically defined in this Agreement, but which have generally accepted meanings in the custom and usage of the petroleum and natural gas industry in Western Canada as of the date hereof, shall have such generally accepted meanings when used in this Agreement unless the contrary is specified or provided for elsewhere in this Agreement.

1.3 Schedules

The following schedules (the "**Schedules**") are attached to, form a part of and are incorporated in this Agreement:

- Schedule "A" – Royalty Lands
- Schedule "B" – Current Market Value

Wherever any term or condition of the Schedules conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

ARTICLE 2
OVERRIDING ROYALTY

2.1 Grant of Overriding Royalty

Effective as of the Effective Date, and in the manner provided for in this Agreement, Royalty Payor hereby grants and sets over to Royalty Owner, and Royalty Owner hereby acquires from Royalty Payor, the Overriding Royalty, which shall comprise an interest in the Petroleum Substances within, upon or under the Royalty Lands.

2.2 Interest in Land

- (a) It is the express intention of the Parties that the Overriding Royalty herein granted by Royalty Payor to Royalty Owner constitutes, and is to be construed as, an interest in land in the Royalty Lands. All terms, covenants, provisions and conditions of this Agreement shall run with and be binding upon the Royalty Lands, the Royalty Wells and the Title and Operating Documents, and the estates affected thereby for the Term.
- (b) Royalty Payor acknowledges and agrees that the Overriding Royalty is capable of supporting, and Royalty Owner is entitled to, as applicable, register a caveat of its interest against Royalty Payor's Working Interest under the *Land Titles Act* (Alberta) and the equivalent provincial legislation in those jurisdictions where the Royalty Lands are located. Royalty Payor shall cooperate with Royalty Owner in taking any commercially reasonable actions that are necessary or appropriate to support and defend the Parties' intentions set out in this Section 2.2, including any applicable registrations.
- (c) If the Royalty Wells ever become subject to a farmout, production penalty, forfeiture or similar reduction, suspension or loss by Royalty Payor of its rights to take or be paid for any portion of its Royalty Payor's Working Interest share of production of Petroleum Substances from the Royalty Wells after the Effective Date, Royalty Payor shall continue to be responsible to Royalty Owner for the Overriding Royalty on any such share of production of Petroleum Substances unless or until any Person acquiring or assuming that portion of the Royalty Payor's Working Interest is assigned and novated into this Agreement and assumes the Royalty Payor's obligations for the Overriding Royalty under this Agreement with respect to that percentage share of Royalty Payor's Working Interest.
- (d) Royalty Payor:
 - (i) acknowledges and agrees that it is forever estopped from taking any action whatsoever to argue, challenge, contest or contend in any manner whatsoever that the Overriding Royalty is not an interest in land;
 - (ii) waives any right or action that they may have to argue, challenge, contest or contend in any manner whatsoever that the Overriding Royalty is not an interest in land; and
 - (iii) specifically agrees not to commence any action to argue, challenge, contest or contend in any manner whatsoever that the Overriding Royalty is not an interest in land.

2.3 Quantification of Overriding Royalty

- (a) *Royalty Determination Methodology*: The gross volume of Petroleum Substances comprising the Overriding Royalty shall be determined, on a Royalty Well by Royalty Well basis, as follows:
 - (i) the volume of Petroleum Substances as metered, measured or allocated at the Point of Sale shall be allocated back to each Royalty Well on a fair and reasonable basis,

consistent with Royalty Payor's customary methodology, taking into account any usage or losses contemplated in Section 2.3(e); and

- (ii) of the Petroleum Substances allocated to a Royalty Well for the Term shall be nine percent (9%) of such Petroleum Substances.
- (b) *Quantification of Overriding Royalty:* Having regard for the Royalty Determination Methodology, the Overriding Royalty shall be quantified as follows:
- (i) if not taken in kind by Royalty Owner pursuant to Section 2.5, nine percent (9%), as applicable in accordance with Section 2.3(a)(ii), of the Price Factor applicable to Royalty Payor's Working Interest share of sale of Petroleum Substances produced from each Royalty Well; and
 - (ii) if taken in kind by Royalty Owner pursuant to Section 2.5, nine percent (9%), as applicable in accordance with Section 2.3(a)(ii), of the Petroleum Substances applicable to the Royalty Payor's Working Interest share produced from each Royalty Well, and available at the Point of Sale.
- (c) *Petroleum Substances Not Taken in Kind:* For the purposes of Section 2.3(b):
- (i) *Appointment as Agent:* Royalty Payor is appointed as the agent of Royalty Owner for the handling and disposition of the Overriding Royalty share of Petroleum Substances. When in the possession of Royalty Payor, the Petroleum Substances attributable to the Overriding Royalty and the proceeds of sale therefrom will be held as trustee for Royalty Owner and subject to the terms of this Agreement;
 - (ii) *Sale of Petroleum Substances:* Royalty Payor shall sell Royalty Owner's Overriding Royalty share of Petroleum Substances at the same price and on the same terms as Royalty Payor receives for its own share of Petroleum Substances attributable to Royalty Payor's Working Interest in the Royalty Lands, on a *pro-rata* basis with its own share of Petroleum Substances, provided that in connection with a sale to an Affiliate, price and terms shall not be less than the Price Factor.
- (d) *Deductions:* Other than as set forth herein, Royalty Owner's Overriding Royalty share of Petroleum Substances produced from the Royalty Lands will be free and clear of any and all deductions whatsoever for costs and expenses incurred by Royalty Payor to and including the Point of Sale.
- (e) *Petroleum Substances Used in Operations:* Notwithstanding the Royalty Determination Methodology and the quantification of the Overriding Royalty pursuant to Section 2.3(b), the Overriding Royalty will not include Petroleum Substances that Royalty Payor reasonably uses or loses in Royalty Payor's drilling, completion and production operations for the Royalty Lands or in the delivery of Petroleum Substances to, and handling at or prior to, the Point of Sale. Those drilling and production operations include the proportionate use of Royalty Owner's Overriding Royalty share of Petroleum Substances in batteries, treaters, compressors, separators, satellites and similar equipment serving the Royalty Wells, but do not include the use of Petroleum Substances for any enhanced recovery operations other than enhanced recovery operations on or in respect of the Royalty Lands.
- (f) *Other Hydrocarbons Used In Fracture Stimulation Programs:* Notwithstanding the Royalty Determination Methodology and the quantification of the Overriding Royalty pursuant to Section 2.3(b), any hydrocarbon substances used in a fracture stimulation program on a Royalty Well will not be regarded as Petroleum Substances as and when recovered from that Royalty Well. This Section 2.3(f) does not modify the Royalty Payor's obligations for any such hydrocarbon

substances that originally were Petroleum Substances within, upon or under the Royalty Lands or allocated thereto and that were produced from another Royalty Well for use in any such fracture stimulation program.

- (g) *Effect of Penalty Position:* Notwithstanding that Royalty Payor or any permitted assignee of Royalty Payor may have elected to be in a penalty position with respect to a Royalty Well following the date hereof, Royalty Payor shall nonetheless be required to pay the Overriding Royalty, to the extent it is not paid, without any discount whatsoever, to the Royalty Owner as if Royalty Payor was not in a penalty position with respect to such Royalty Well.
- (h) *Effect of Pooling or Unitization on Calculation:*
 - (i) Royalty Payor may pool the Petroleum Substances attributed to Royalty Payor's Working Interest in the Royalty Lands to the extent required to form a Spacing Unit, without the prior consent of Royalty Owner, if the pooling allocates production therefrom to the applicable Royalty Lands in the proportion that the surface area of the Royalty Lands placed on the Spacing Unit bears to the total surface area of the Spacing Unit. Royalty Payor shall promptly give notice to Royalty Owner describing the extent to which the Royalty Lands have been pooled and describing the pooled Spacing Unit.
 - (ii) If Royalty Payor proposes to pool, unitize or otherwise combine any portion of the Royalty Lands with any other lands, other than as provided in Section 2.3(h)(i), Royalty Payor must promptly send notice of that intention to Royalty Owner. Such notice must include the technical justification for that pooling, unitization or combination and the proposed terms thereof, provided that Royalty Payor will not be required to provide interpretive data to Royalty Owner. Royalty Owner has the right to consent or withhold consent to such proposed pooling, unitization or other combination of a portion of the Royalty Lands and must advise Royalty Payor promptly of its decision following receipt of the notice of intention from Royalty Payor.
 - (iii) If any portion of the Royalty Lands is pooled, unitized or combined with any other lands pursuant to this Section 2.3(h), Sections 2.3(a) and (b) will be deemed to be amended to calculate the volume of the Overriding Royalty by applying the percentages set forth in Sections 2.3(a) and (b) to the quantity of Petroleum Substances thereby attributed to Royalty Payor's Working Interest in the affected Royalty Lands, but otherwise as contemplated by Sections 2.3(a) and (b).
- (i) *Overriding Royalty Not Subject to Other Burdens:* Except as specifically set forth herein, the Overriding Royalty shall not be subject to any royalties, burdens or other encumbrances payable by Royalty Payor in respect of Royalty Payor's Working Interest in the Royalty Lands or production of Petroleum Substances therefrom.

2.4 Monthly Accounting

- (a) Royalty Payor shall remit to the Royalty Owner all funds accruing to the Royalty Owner on account of the Overriding Royalty on or before the twenty-fifth (25th) day of the calendar month next following the calendar month in which those funds were received by Royalty Payor; provided that, for the purpose of the timing of receipt of proceeds in this Section 2.4, "received" will be read as "normally received" if the purchaser of those Petroleum Substances fails to pay Royalty Payor for that production provided that if such failure to pay is attributable to the default of the purchaser of such Petroleum Substances, Royalty Payor shall make such remittance within ten (10) Business Days of receipt.
- (b) On or about the date of remittance pursuant to Section 2.4(a), Royalty Payor will provide the Royalty Owner with a statement in written or electronic format showing, on a Royalty Well by

Royalty Well or unit basis, as applicable, in reasonable detail the manner in which Royalty Payor calculated that payment, including:

- (i) the quantity and kind of Petroleum Substances attributed to each Royalty Well on the basis of the Royalty Determination Methodology in the immediately preceding calendar month;
- (ii) the unit sale price for such Petroleum Substances and the Price Factor applicable thereto; and
- (iii) the quantification of the Overriding Royalty payable for such immediately preceding calendar month.

2.5 Right To Take In Kind

- (a) *Revocation of Agency and Election to Take in Kind:* Subject to the terms of the Title and Operating Documents, on a minimum of ninety (90) days' notice to Royalty Payor, Royalty Owner may revoke the agency established in Section 2.3(c), elect to take delivery of all or a portion of the Petroleum Substances comprising the Overriding Royalty at the Point(s) of Sale and separately dispose of the same, subject to the following:
 - (i) the right may be exercised by Royalty Owner separately for each type of Petroleum Substances, effective at the 1st day of the calendar month next following the minimum ninety (90) day period; and
 - (ii) Royalty Owner shall provide Royalty Payor with evidence, satisfactory to Royalty Payor, acting reasonably, that Royalty Owner has made arrangements to take its share of Petroleum Substances and dispose of them in compliance with the Title and Operating Documents; provided that if Royalty Owner does not provide such evidence on a timely basis, or having done so does not actually take such Petroleum Substances, shall be deemed to have failed to take those Petroleum Substances in kind and Section 2.5(d) shall apply.
- (b) *Re-Establishment of Agency:* Insofar as Royalty Owner has elected to revoke the agency established in Section 2.3(c), Royalty Owner may re-establish that agency on a minimum of ninety (90) days' notice to Royalty Payor, effective as of the 1st day of the calendar month next following the minimum ninety (90) day period. This right may be exercised separately for each type of Petroleum Substance. In connection therewith, Royalty Payor may request that Royalty Owner novate Royalty Payor (in accordance with Royalty Owner's share of Petroleum Substances elected to be taken in kind) into the transportation, marketing and sale agreements utilized by Royalty Owner for the handling and sale of such Petroleum Substances and upon such request Royalty Owner shall cause Royalty Payor to be assigned and novated into such arrangements, as Royalty Payor so elects.
- (c) *Royalty Payor's and Royalty Owner's Obligations:*
 - (i) If Royalty Owner takes in-kind its Overriding Royalty share of Petroleum Substances at the Point of Sale:
 - (A) Royalty Payor will, at Royalty Payor's cost, remove basic sediment and water from those Petroleum Substances to the extent it does so for its own Petroleum Substances prior to the Point of Sale;
 - (B) Royalty Payor will provide Royalty Owner, at Royalty Payor's cost, production tankage capacity for an accumulation of the Overriding Royalty share of those

Petroleum Substances consistent with Royalty Payor's ordinary course of business, provided that to the extent Royalty Payor incurs a cost incremental to what it would have incurred had Royalty Owner not taken in-kind its Overriding Royalty and accumulated its Overriding Royalty share of Petroleum Substances outside of the ordinary course, such incremental cost shall be borne by Royalty Owner;

- (C) Royalty Payor will deliver the Overriding Royalty share of those Petroleum Substances to Royalty Owner, or Royalty Owner's nominee, at the Point of Sale free and clear of all charges except for those set forth in Section 2.5; and
 - (D) Royalty Owner will assume sole responsibility for all costs and expenses incurred for the transportation, processing or other handling of Petroleum Substances delivered to it herein and therefrom and beyond the Point of Sales.
- (d) *Failure to Take-in Kind:* Unless otherwise agreed to by Royalty Payor and Royalty Owner, if and only if Royalty Owner elects to take its Overriding Royalty share of Petroleum Substances in kind, but fails to (or is deemed to have failed to) take possession thereof at the Point of Sale, Royalty Payor shall take possession of such Petroleum Substances as agent of Royalty Owner and shall dispose of those Petroleum Substances by:
- (i) selling those Petroleum Substances at Price Factor or such lower price as is reasonable in the circumstances, adjusted for deductions, in such case only, to the Point of Sale in an amount not to exceed the reasonable costs and expenses incurred by Royalty Owner to bring those Petroleum Substances to the Point of Sale; or
 - (ii) purchasing those Petroleum Substances for Royalty Payor's own account (or the account of an Affiliate) at Price Factor and accounting to Royalty Owner therefor.

2.6 Royalty Payor's Allowed Deductions

- (a) *Required Actions to Meet Specifications:* Royalty Payor may deduct against the gross proceeds of sale of the Overriding Royalty share of Petroleum Substances any such expenses incurred by Royalty Payor to enrich those Petroleum Substances in order to facilitate transportation or otherwise meet marketing, pipeline or sales specifications.
- (b) *Deductions Expressed As Cash Obligations:* The allowable deductions from the proceeds of sale of the Royalty Owner's Overriding Royalty share of Petroleum Substances are expressed as cash obligations for convenience of record keeping and audit. This handling is not to be construed as altering the nature of the Overriding Royalty as an interest in land.

2.7 Special Enrichment and Blending Operations

Provided that Royalty Owner has not elected under Section 2.5 to take its Overriding Royalty share of the Petroleum Substances in kind, Royalty Payor shall have the option but not the obligation to purchase from Royalty Owner its Overriding Royalty share of the Petroleum Substances or such portion thereof from Royalty Owner, in connection with Royalty Payor's enrichment or blending operations, if any, at a purchase price equal to the Overriding Royalty amount for such Petroleum Substances as if such enrichment or blending operations were not being performed.

2.8 Books, Records and Audit Right

- (a) Royalty Payor shall keep and maintain true and correct books, records and accounts showing credits and charges hereunder and the kind and quantity of Petroleum Substances produced from

and attributed to Royalty Payor's Working Interest in the Royalty Lands, the disposition thereof and the price obtained therefor.

- (b) Royalty Owner may, upon reasonable notice to Royalty Payor and at Royalty Owner's own expense, audit the books, records and accounts of Royalty Payor, including production accounting and marketing records, with respect to the production, disposition or sale of the Overriding Royalty within twenty-four (24) months next following the end of the applicable calendar year. Royalty Owner will conduct any such audit in accordance with PASC Joint Venture Audit Protocol Bulletin No. 6 (or any replacement therefor).
- (c) Any statement issued by Royalty Payor to Royalty Owner respecting the calculation of the Overriding Royalty will be presumed to be true and correct twenty-six (26) months following the end of the calendar year in which that statement was issued, unless a Party takes bona fide written exception thereto and requests an adjustment pursuant to this Section 2.8 within that twenty-six (26) month period.
- (d) Any discrepancies disclosed by such audit shall be identified in writing to Royalty Payor within sixty (60) days following the completion of such audit, and Royalty Payor shall respond in writing to any claims or discrepancies within 180 days of the receipt of such notice of claim or discrepancies. If Royalty Payor does not respond in such 180 day period, a credit for the disputed amount shall be deemed to be made in favour of Royalty Owner.
- (e) To the extent that Royalty Payor and Royalty Owner are unable to resolve any outstanding claims or discrepancies disclosed by such audit within thirty (30) days of the response of Royalty Payor, such audit exceptions shall be resolved by a nationally or internationally recognized firm of chartered accountants as may be selected by Royalty Payor and Royalty Owner, which shall be requested to render its decision without qualifications, other than the usual qualifications relating to engagements of this nature, within fourteen (14) days after the dispute is referred to it.
- (f) The decision of the accounting firm shall be final and binding upon the Parties and shall not be subject to appeal by any Party. The costs and expenses of the accounting firm shall be borne equally by the Parties. Notwithstanding the foregoing audit period limitation, Royalty Owner's audit rights under this Section 2.8 shall be extended for the time period, and in respect of those books, records and accounts, as may be reasonably necessary to permit Royalty Owner to verify refunds or payments to be received or made by it pursuant to this Agreement.

ARTICLE 3 OPERATIONS

3.1 Rateable Production

Subject to the occurrence of a Force Majeure Event impacting production from a Royalty Well, Royalty Payor will not discriminate against the Petroleum Substances attributed to Royalty Payor's Working Interest in the Royalty Lands in the production and marketing of those Petroleum Substances because those Petroleum Substances are subject to the Overriding Royalty. Where it is the operator of a Royalty Well, Royalty Payor will not produce Petroleum Substances from a Royalty Well inequitably with production from any diagonally or laterally offsetting well operated by Royalty Payor and producing from the same pool as a Royalty Well, insofar as the Royalty Payor, or its Affiliate, has an interest in that offsetting well, because the Petroleum Substances are subject to the Overriding Royalty.

3.2 Well Information and Additional Records

Royalty Payor will make available to Royalty Owner Royalty Payor's production volume reporting for each Royalty Well through "Data Scavenger" or such other system as provides comparable information and is used in the ordinary course of Royalty Payor's business. Further, Royalty Payor will

provide Royalty Owner with quarterly unaudited financial statements as soon as practicable following the end of the quarter, audited annual financial statements as soon as available following the end of the fiscal year end and an annual independent reserve report prepared by a firm reasonable acceptable to Royalty Owner.

3.3 Maintenance of Royalty Lands

Royalty Payor shall, at its own cost, pay for all rentals, royalties, taxes, expenses and charges payable under the provisions of the Title and Operating Documents with respect to the Royalty Lands and any wells, facilities or equipment on the Royalty Lands and the production of the Petroleum Substances therefrom. Royalty Payor shall, at its own cost, keep the Royalty Lands and the Title and Operating Documents in good standing, provided that nothing shall require Royalty Payor to undertake any operation that would be required to extend, continue or renew a Title and Operating Document.

3.4 Surrender and Abandonment of Royalty Lands

- (a) Notwithstanding anything to the contrary in this Agreement, if Royalty Payor determines *bona fide* and in good faith that the Title and Operating Documents pertaining to any portion of the Royalty Lands should be surrendered to the issuer of the Title and Operating Documents, or that such Title and Operating Documents should be allowed to expire, Royalty Payor shall be entitled to proceed with such surrender, or to allow such expiry to occur, and upon the surrender or expiry becoming effective the Overriding Royalty shall no longer be payable in respect of the applicable Royalty Lands, provided that if within twelve (12) months of such surrender or expiry Royalty Payor or any Affiliate of Royalty Payor acquires, directly or indirectly, a right, title, estate or interest in respect of the Royalty Lands or any portion thereof so terminated, surrendered or allowed to expire, such reacquired interest shall be subject to the Overriding Royalty and the terms and conditions of this Agreement, except to the extent such acquisition occurs as a result of an acquisition of a Person holding such right, title, estate or interest where such right, title, estate or interest does not comprise all or substantially all of such Person's assets.
- (b) Royalty Payor shall have full right, power and authority without the prior consent of Royalty Owner to convert or abandon any Royalty Well if Royalty Payor determines that such Royalty Well is not capable of producing Petroleum Substances in paying quantities, as determined by Royalty Payor, acting reasonably.
- (c) Royalty Payor shall provide Royalty Owner with written notice of all Title and Operating Documents that are allowed to expire.

3.5 Control Over Development

Except as otherwise provided in this Agreement, as between Royalty Payor and Royalty Owner, Royalty Payor shall have exclusive control and authority over development of, and recovery of Petroleum Substances from, the Royalty Lands including, without limitation, making all decisions respecting whether, when and how to drill, complete, equip, produce, suspend, convert, abandon and shut-in wells and whether to elect to convert royalties to working interests. In furtherance thereof, Royalty Payor shall have the right to enter into and amend the Title and Operating Documents from time to time on such terms and conditions as it considers appropriate, provided that it acts in accordance with prudent oil and gas industry practices and in good faith in connection therewith. Notwithstanding the foregoing, Royalty Payor shall not effect, or consent to effect, a change of "operator" under any of the Title and Operating Documents without the prior consent of the Royalty Owner, such consent not to be unreasonably withheld or delayed.

3.6 Restrictions on Further Royalty Grants

Notwithstanding Section 3.5, during the Term, Royalty Payor acknowledges, covenants and agrees that it shall not further grant or sell any additional overriding royalty on the Royalty Lands in any manner that would have a material adverse effect on Royalty Payor's ability to economically develop the Royalty Lands, taken as a whole, unless otherwise agreed to in writing by Royalty Owner, acting reasonably.

3.7 Acknowledgement and Indemnity for Operations

- (a) Royalty Payor acknowledges that, except for Royalty Owner's rights and obligations under Section 2.5 with respect to Royalty Owner's right to take its Overriding Royalty share of Petroleum Substances in-kind and except as contemplated in Section 3.6(c), Royalty Owner is not liable for any of the duties and obligations arising under the Title and Operating Documents.
- (b) Royalty Payor shall indemnify and save Royalty Owner, its Affiliates and each of their respective directors, officers, employees, servants and agents, harmless from and against, all actions, suits, claims, costs, demands and expenses, including legal fees on a solicitor-client basis, which may be brought against any of them or that any of them may suffer, sustain, pay or incur, by reason of any matter or thing arising out of or in any way attributable to the operations carried on by or on behalf of Royalty Payor on or in connection with Royalty Payor's Working Interest in the Royalty Lands and to the Royalty Lands Environmental Liabilities, except to the extent attributable to Petroleum Substances taken in kind by Royalty Owner or attributable to the acts or omissions of Royalty Owner or its personnel, contractors or other representatives.
- (c) Royalty Owner shall indemnify and save Royalty Payor, its Affiliates and each of their respective directors, officers, employees, servants and agents, harmless from and against, all actions, suits, claims, costs, demands and expenses, including legal fees on a solicitor-client basis, which may be brought against any of them or that any of them may suffer, sustain, pay or incur, by reason of any matter or thing arising out of or in any way attributable to Petroleum Substances taken in kind by Royalty Owner or attributable to the negligence of Royalty Owner or its personnel, contractors or other representatives in connection with this Agreement.

ARTICLE 4 PAYMENT DEFAULT

4.1 Payment Default

If a Payment Default has occurred and is continuing, Royalty Owner shall have the right to:

- (a) charge interest on any unpaid amounts at 5% calculated monthly from the day such payment is due until the day it is paid;
- (b) set-off against any amount unpaid by Royalty Payor, any sums due or accruing to Royalty Payor or any Affiliate of Royalty Payor from Royalty Owner under this Agreement or any other agreement between Royalty Owner and Royalty Payor or any Affiliate of Royalty Payor;
- (c) maintain an action or actions for such unpaid amounts and interest thereon on a continuing basis as such amounts are payable, but not paid, as if the obligation to pay such amounts and the interest thereon were liquidated demands due and payable on the relevant date such amounts were due to be paid, without any right or resort to set-off or counter-claim by Royalty Payor;
- (d) either appoint a new agent to act in the place and stead of Royalty Payor for the purposes of Section 2.3(c), or to appoint itself as agent;

- (e) immediately commence to take in-kind all or a portion of the Petroleum Substances comprising the Overriding Royalty in accordance with the provisions of Section 2.5, but without regard to the notice requirements set forth in Section 2.5;
- (f) review the records of Royalty Payor regarding sales of Petroleum Substances produced from Royalty Payor's Working Interest in the Royalty Lands and Royalty Payor shall be required to forthwith provide to Royalty Owner or its agent, such records; or
- (g) treat the Payment Default as an immediate and automatic assignment to Royalty Owner of the proceeds of sale attributed to the Overriding Royalty share of the Petroleum Substances from the Royalty Lands, and give notice to purchasers of Petroleum Substances from Royalty Payor requiring them to pay the proceeds of sale of the Overriding Royalty share of Petroleum Substances from Royalty Lands directly to the duly appointed agent of Royalty Owner, which may be Royalty Owner, and such purchasers of Petroleum Substances shall be entitled to rely upon notice from Royalty Owner to such effect and to thereafter pay the proceeds of sale accordingly.

ARTICLE 5
ASSIGNMENT AND CHANGE OF CONTROL

5.1 Assignment by Royalty Owner

Royalty Owner may transfer or assign its interest in the Overriding Royalty, in whole or in part, on written notice to Royalty Payor; provided, however, that as a condition to the completion of such assignment Royalty Owner shall cause the assignee of Royalty Owner's interest in the Overriding Royalty to execute and deliver to Royalty Payor an instrument in writing pursuant to which such assignee agrees to be bound by, assume and perform all of the obligations of Royalty Owner (or that portion of Royalty Owner's interest in the Overriding Royalty being assigned) under this Agreement.

5.2 Assignment by or Change of Control of Royalty Payor

- (a) Royalty Payor may not:
 - (i) transfer or assign its interest in this Agreement to any Person;
 - (ii) complete any transaction that will result in the sale, assignment, transfer, conveyance or other form of disposition of all or substantially all of its assets including, for certainty, its interest in the Royalty Lands;
 - (iii) complete, participate in or consent to the completion of any transaction that will result in the change of Control of Royalty Payor; or
 - (iv) subject to the terms and conditions of the Title and Operating Documents, change, or consent to or otherwise permit the change of, any operator of the Royalty Lands or Royalty Wells thereon;

without first receiving the written consent of Royalty Owner, which consent may not be unreasonably withheld, conditioned or delayed.

- (b) Notwithstanding Section 5.2(a), Royalty Owner and Royalty Payor acknowledge and agree that:
 - (i) Royalty Owner has assigned or will hereinafter assign, all of its right, title and interest in and to this Agreement to Arena pursuant to the Arena Security, (ii) Royalty Payor has assigned or will hereinafter assign, all of its right title and interest in and to this Agreement to AIMCo and Arena (or either of them), (iii) the grant of the Arena Security or the AIMCo Security, as applicable, shall not be restricted by this Agreement or cause a default or breach of this Agreement, and (iv) the enforcement of the Arena Security or the AIMCo Security (including the appointment of a receiver

or receivers), as applicable, shall not be restricted by this Agreement or cause a default or breach of this Agreement.

- (c) In circumstances where Royalty Owner provides its consent to a transaction described in Section 5.2(a)(i) or (ii), the 1993 Canadian Association of Petroleum Landmen (CAPL) Assignment Procedure (or the most current replacement therefor then endorsed for use by CAPL) shall apply to such transaction and is hereby deemed to be incorporated by reference into this Agreement (and will be deemed to apply as if it has been made a schedule to this Agreement) using the addresses for service provided in this Agreement for the purposes of effecting such transfer or assignment by Royalty Payor. Subclause 24.04B of the standard form 2015 CAPL Operating Procedure will apply, *mutatis mutandis*, for the purposes of processing any notice of assignment thereunder in circumstances in which the Parties' interest are inconsistent in the Royalty Lands.

ARTICLE 6 TERM AND TERMINATION

This Agreement shall be effective as of the Effective Date and shall continue in effect until terminated by the Parties on mutual agreement (the "Term").

ARTICLE 7 GENERAL

7.1 Further Assurances

Each Party will, from time to time and at all times hereafter, without further consideration, except as otherwise provided in this Agreement, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

7.2 Entire Agreement

The provisions contained in any and all documents and agreements collateral or incorporated by reference hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail. This Agreement supersedes all other agreements, documents, writings and verbal understandings among the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the subject matter hereof.

7.3 Governing Law

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and applicable laws of Canada and shall, in all respects, be treated as a contract made in the Province of Alberta. The Parties hereto irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of or in connection with this Agreement.

7.4 Enurement

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective heirs, executors, administrators, trustees, receivers, successors and permitted assigns.

7.5 Time of Essence

Time shall be of the essence in this Agreement.

7.6 Notices

(a) The addresses for service and the email addresses of the Parties shall be as follows:

Royalty Payor: RAZOR ENERGY CORP.
Suite 800, 500 - 5th Ave. S.W.
Calgary, AB T2P 3L5

Attention: Doug Bailey
Email: dbailey@razor-energy.com

Royalty Owner: RAZOR ROYALTIES LIMITED PARTNERSHIP
c/o Razor Holdings GP Corp.
Suite 800, 500 - 5th Ave. S.W.
Calgary, AB T2P 3L5

Attention: Doug Bailey
Email: dbailey@razor-energy.com

(b) All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

(i) by personal service on a Party at the address of such Party set out above, in which case the item so served shall be deemed to have been received by that Party when personally served;

(ii) by email to a Party to the email address of such Party set out above, in which case the item so emailed shall be deemed to have been received by that Party when property transmitted; or

(iii) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by mailing first class registered post, postage prepaid, to a Party at the address of such Party set out above, in which case the item so mailed shall be deemed to have been received by that Party on the third Business Day following the date of mailing (the date of mailing being the Business Day immediately prior to the postmarked date of the envelope containing the notice, communication or statement or if the subject envelope has been lost or destroyed, the date of such notice, communication or statement or if undated the date of the transmittal letter accompanying the same).

(c) A Party may from time to time change its address for service or its email address or both by giving written notice of such change to the other Party.

7.7 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

7.8 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver of any provision of this Agreement, including this Section 7.8, shall be effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of the Party making such waiver.

7.9 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

7.10 Future Disclosures

Royalty Payor agrees to provide Royalty Owner (including, without limitation, any auditors, accountants, legal, engineering and other advisors engaged by Royalty Owner), at the sole risk, cost and expense of Royalty Owner, such additional information as Royalty Owner may hereafter require, and to make, at Royalty Owner's cost, available such of Royalty Payor's personnel as may be reasonably required by Royalty Owner, to satisfy any disclosure and other obligations or requirement of Royalty Owner relating to the Overriding Royalty and the Royalty Lands now or hereafter arising under any national instrument or local securities commission rule, including specifically in relation to engineering reports and data relating to the Overriding Royalty and the Royalty Lands.

7.11 Confidentiality

- (a) Each Party entitled to information hereunder or pursuant to this Agreement may use such information for its sole benefit. However, the Parties shall take such measures with respect to operations and internal security as are appropriate in the circumstances to keep confidential from Third Parties all such information, except information which the Parties have expressly agreed in writing to release and information disclosed by a Party:
- (i) when and to the extent required by Applicable Laws and securities regulation or policy or requested by legal process or regulatory authority applicable to such Party, provided that such Party shall provide prompt written notice to the other Party and invoke any confidentiality protection permitted by law;
 - (ii) to an Affiliate, provided that if such Affiliate carries on a business that includes the ownership or operation of oil and gas working interests, such Party shall cause such Affiliate to not use such confidential information in a manner so as to gain a competitive advantage over Royalty Payor or its Affiliates and shall require such of Royalty Owner's Affiliate to maintain the confidential status of the disclosed information in accordance with this Section 7.11, and such Party shall be liable for any loss suffered by the Parties, or any of them, because of the failure of such Affiliate to refrain from using the confidential information in a manner so as to gain a competitive advantage over Royalty Payor or to maintain such information confidential;
 - (iii) to a Third Party to which such Party has been permitted to assign its interest, or portion of its interest hereunder, provided that a binding covenant is obtained from such Third Party prior to disclosure which provides, inter alia, that none of such information shall be disclosed by it to any other Third Party; and
 - (iv) to the technical, financial or other professional consultants of such Party which require such information to provide their services to such Party or other financial institution from which such Party is attempting to obtain financing, provided that a binding covenant is obtained from such consultant or financier, as the case may be, prior to such disclosure, which provides, inter alia, that none of such information shall be disclosed by it to any other Third Party or used for any purposes other than advising such Party or providing financing to such Party, as applicable.

Notwithstanding the foregoing, the confidentiality obligation hereunder shall not extend to information to the extent that it is in the public domain, provided that specific items of information

shall not be considered to be in the public domain merely because more general information is in the public domain.

- (b) Notwithstanding the foregoing, any Party that ceases to be bound by the provisions of this Agreement shall nevertheless remain bound by the provisions of this Section 7.11 with respect to information obtained hereunder or pursuant to this Agreement until and to the extent that such information is in the public domain.

7.12 Limitations Act

The two-year period for seeking a remedial order under section 3(1)(a) of the *Limitations Act* (Alberta) for any claim (as defined therein) arising in connection with this Agreement is extended to:

- (a) for claims disclosed by an audit, two (2) years after the time this Agreement permitted that audit to be performed; or
- (b) for all other claims, four (4) years.

7.13 Counterpart Execution

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by fax or email, and all the counterparts together constitute one and the same agreement.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF the Parties have executed this Agreement with effect as of the Effective Date.

RAZOR ENERGY CORP.



Doug Bailey
Chief Executive Officer

RAZOR ROYALTIES LIMITED PARTNERSHIP,
by its General Partner, **RAZOR HOLDINGS GP CORP.**



Doug Bailey
Chief Executive Officer

This is Exhibit "G"
Referred to in the Affidavit of
GREGORY WHITE

Sworn before me this 5th day of
November, 2024

Marjorie Chavez

Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

SPECIFIC ASSIGNMENT OF CONTRACT

THIS ASSIGNMENT AGREEMENT dated as of the 16th day of February, 2021.

BETWEEN:

RAZOR ROYALTIES LIMITED PARTNERSHIP, by its general partner, RAZOR HOLDINGS GP CORP., a limited partnership formed under the laws of the Province of Alberta (hereinafter called the "**Assignor**")

- and -

405 DOLOMITE LLC, a limited liability company formed under the laws of the State of Delaware, United States of America (hereinafter called the "**Agent**")

WHEREAS the Assignor has entered into financing arrangements pursuant to a term loan agreement among the Assignor, as borrower, Razor Energy Corp., as guarantor, certain lenders party thereto, as Lenders, and the Agent, as agent for the Lenders (as amended, restated, replaced, renewed, extended, supplemented or otherwise modified from time to time, the "**Loan Agreement**");

AND WHEREAS the Assignor has agreed to provide to the Agent this Assignment Agreement as collateral security for the obligations of the Assignor under the Loan Agreement.

NOW THEREFORE, in consideration of the mutual covenants in the Loan Agreement and herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Defined Terms

Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Loan Agreement.

2. Assignment

(a) As continuing collateral security for the due and timely satisfaction and performance of the Assignor's obligations under the Loan Agreement, the Assignor hereby transfers, assigns and grants a security interest in, to and in favour of the Agent, for and on behalf of the Agent and the Lenders, of all the Assignor's present and future rights, title and interest whatsoever in and to the agreements and choses-in-action described in Schedule "A" hereto and all amendments, supplements, modifications or extensions thereof (the "**Assigned Contract**") including, without limiting the generality of the foregoing, all of the Assignor's rights, claims, privileges, benefits and advantages comprised therein and arising therefrom, other than the Assignor's entitlement to receive remuneration as lessor.

(b) This Assignment Agreement shall not in any way suspend or affect the rights or remedies of the Agent in respect of the obligations of the Assignor under the Loan Agreement, or any part thereof, nor shall it affect any securities which the Agent now has or hereafter may hold in respect of the Loan Agreement or any part thereof.

3. Rights of the Agent

Upon the occurrence of an Event of Default which is continuing, the Agent shall at any time thereafter have the right to fulfill and enforce all rights and remedies of or in respect of the Assignor under the Assigned Contract and any such right or remedy may be exercised separately from or in combination

with any right or remedy the Agent may have and shall be in addition to and not in substitution for any other rights and remedies to the Agent. The Agent shall not be bound to exercise such right or remedy or otherwise deal with all or any part of the Assigned Contract or otherwise realize any proceeds therefrom and shall not be responsible for any loss occasioned by any realization or other dealing with or other failure to realize or otherwise deal with all or any part of the Assigned Contract. To the extent permitted by law, the Assignor hereby expressly waives each and every formality prescribed by law in relation to any sale, transfer or delivery of the Assigned Contract.

4. Concerning Liability

Notwithstanding anything contained herein to the contrary, the Assignor shall remain liable to observe and perform all of the terms and provisions on its part to be observed and performed under the Assigned Contract with no liability whatsoever accruing to the Agent.

5. Representation and Warranties of the Assignor

The Assignor hereby represents, warrants and covenants to the Agent that:

- (a) it has made no prior assignment of the Assigned Contract;
- (b) the Assigned Contract has not been amended, supplemented, modified, extended, renewed or replaced other than as disclosed in Schedule "A";
- (c) the Assigned Contract is in full force and effect;
- (d) the Assignor has not received notice of any default under the Assigned Contract;
- (e) the Assignor is not aware that any parties to the Assigned Contract are in default under the Assigned Contract; and
- (f) all necessary approvals and consents have been obtained in order to permit the Assignor to subject to the security interest of this Assignment Agreement the interest of the Assignor in the Assigned Contract.

6. No Further Assignment by the Assignor; No Termination of Assigned Contract

- (a) Neither the Assigned Contract nor any interest of the Assignor therein shall be transferred, assigned or otherwise alienated or encumbered by the Assignor in favour of any person except in accordance with the provisions of the Loan Agreement.
- (b) The Assignor shall not terminate the Assigned Contract nor agree to such termination by any party thereto without the express prior written consent of the Agent.

7. Application of Proceeds

Any proceeds received by the Agent in respect of the Assigned Contract after the occurrence and continuance of an Event of Default, shall be applied by the Agent in accordance with the provisions of the Loan Agreement.

8. No Merger of Obligations

This Assignment Agreement shall not operate by way of merger of any of the obligations of the Assignor under the Loan Agreement, and no judgment recovered by the Agent shall operate by way of merger of or in any way affect the security hereby constituted which is in addition to and not in

substitution for and shall not in any way prejudice any other security now heretofore or hereafter held by the Agent.

9. Termination and Release

Upon payment, satisfaction, settlement or extinguishment of the Assignor's obligations under the Loan Agreement in full, or if the Assignor is otherwise entitled to a release of this Assignment Agreement in accordance with the terms of the Loan Agreement, the Agent, upon request in writing by the Assignor and at the Assignor's expense, shall execute and deliver to the Assignor such deeds or other instruments as shall be requisite to discharge the security interest hereby constituted and to re-assign and transfer to the Assignor all of the right, title and interest of the Agent in and to the Assigned Contract.

10. Further Assurances

The Assignor shall, at its expense, make, execute and deliver, or cause to be made, executed and delivered, all such further acts, documents and things as the Agent may reasonably require for the purposes of giving effect to this Assignment Agreement including, without limiting the generality of the foregoing, for the purpose of facilitating the enforcement of the security over the Assigned Contract hereby constituted and for the purpose of exercising all powers, authorities and discretion hereby conferred upon or acquired by the Agent, all immediately upon the request of the Agent.

11. No Duty to Inquire

No person dealing with the Agent or its agents including, without limitation, the parties to the Assigned Contract, shall be concerned to inquire whether the powers which the Agent or such agents are purporting to exercise under this Assignment Agreement have become exercisable, or whether any money remains due and owing by the Assignor to the Agent, or as to the necessity, expediency, or performance of or compliance with, the stipulations and conditions subject to which any realization shall be made, or otherwise as to the propriety or regularity of any realization or of any other dealing by the Agent with the Assigned Contract or to see to the application of any money paid to the Agent; and in the absence of fraud on the part of such person, such dealings shall be deemed, insofar as regards the safety and protection of such person, to be within the powers hereby conferred and to be valid and effectual accordingly.

12. Severability

In the event that any provision of this Assignment Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction, it shall not affect the validity, legality or enforceability of such provision in any other jurisdiction or the validity, legality or enforceability of any other provision of this Assignment Agreement.

13. Amendments, Etc.

No Amendment to this Assignment Agreement will be valid or binding unless set forth in writing and duly executed by the Assignor and the Agent.

14. Governing Law

This Assignment Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable in the Province of Alberta.

15. Time of the Essence

Time shall be of the essence of this Assignment Agreement.

16. Successors and Assigns

The provisions hereof shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

17. Headings

In this Assignment Agreement, the insertion of headings is for the convenience of reference only and shall not affect the construction or interpretation of this Assignment Agreement.

18. Electronic Execution

The Assignor may deliver an executed signature page to this Assignment Agreement by electronic transmission and such delivery will be as effective as delivery of a manually executed copy of the Assignment Agreement by the Assignor.


19. Acknowledgement and Incorporation of Terms

Notwithstanding anything to the contrary expressed or implied in paragraph 2(a) the transfers, assignments and security interests made or created by this Assignment Agreement shall be, and the Agent shall hold the security created by this Assignment Agreement, subject to the terms of the Assigned Contract. For greater certainty it is acknowledged that nothing contained in this paragraph 19 will render the Agent or its agent liable to the Assignor or any other person for any failure by the Agent or its agent to assume or discharge any liability of the Assignor in respect of any obligation of the Assignor unless the Agent otherwise expressly agrees in writing to assume such liability.

[intentionally left blank; signature page follows]

IN WITNESS WHEREOF the undersigned has executed this Assignment Agreement as of the date first written above.

**RAZOR ROYALTIES LIMITED PARTNERSHIP,
by its general partner, RAZOR HOLDINGS GP
CORP.**

Per: 
Name: **Doug Bailey**
Title: **President & CEO**

Per: 
Name: **KEVIN BRAUN**
Title: **CFO**

SCHEDULE "A"

**TO A SPECIFIC ASSIGNMENT OF CONTRACT MADE
BETWEEN THE ASSIGNOR AND THE AGENT
DATED AS OF February 16, 2021**

ASSIGNED CONTRACT

Overriding Royalty Agreement dated as of the date hereof between Razor Energy Corp., as royalty payor,
and the Assignor, as royalty owner.

This is Exhibit "H"
Referred to in the Affidavit of
GREGORY WHITE

Sworn before me this 5th day of
November, 2024

Marjorie Chavez

Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

SPECIFIC ASSIGNMENT OF CONTRACT

THIS ASSIGNMENT AGREEMENT dated as of the 12th day of August, 2021.

BETWEEN:

RAZOR ROYALTIES LIMITED PARTNERSHIP, by its general partner, RAZOR HOLDINGS GP CORP., a limited partnership formed under the laws of the Province of Alberta (hereinafter called the "**Assignor**")

- and -

405 DOLOMITE LLC, a limited liability company formed under the laws of the State of Delaware, United States of America (hereinafter called the "**Agent**")

WHEREAS the Assignor has entered into financing arrangements pursuant to a term loan agreement among the Assignor, as borrower, Razor Energy Corp., as guarantor, certain lenders party thereto, as Lenders, and the Agent, as agent for the Lenders, as amended by a term loan agreement amendment 1 (as amended, restated, replaced, renewed, extended, supplemented or otherwise modified from time to time, the "**Loan Agreement**");

AND WHEREAS the Assignor has agreed to provide to the Agent this Assignment Agreement as collateral security for the obligations of the Assignor under the Loan Agreement.

NOW THEREFORE, in consideration of the mutual covenants in the Loan Agreement and herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Defined Terms

Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Loan Agreement.

2. Assignment

(a) As continuing collateral security for the due and timely satisfaction and performance of the Assignor's obligations under the Loan Agreement, the Assignor hereby transfers, assigns and grants a security interest in, to and in favour of the Agent, for and on behalf of the Agent and the Lenders, of all the Assignor's present and future rights, title and interest whatsoever in and to the agreements and choses-in-action described in Schedule "A" hereto and all amendments, supplements, modifications or extensions thereof (the "**Assigned Contract**") including, without limiting the generality of the foregoing, all of the Assignor's rights, claims, privileges, benefits and advantages comprised therein and arising therefrom, other than the Assignor's entitlement to receive remuneration as lessor.

(b) This Assignment Agreement shall not in any way suspend or affect the rights or remedies of the Agent in respect of the obligations of the Assignor under the Loan Agreement, or any part thereof, nor shall it affect any securities which the Agent now has or hereafter may hold in respect of the Loan Agreement or any part thereof.

3. Rights of the Agent

Upon the occurrence of an Event of Default which is continuing, the Agent shall at any time thereafter have the right to fulfill and enforce all rights and remedies of or in respect of the Assignor under

the Assigned Contract and any such right or remedy may be exercised separately from or in combination with any right or remedy the Agent may have and shall be in addition to and not in substitution for any other rights and remedies to the Agent. The Agent shall not be bound to exercise such right or remedy or otherwise deal with all or any part of the Assigned Contract or otherwise realize any proceeds therefrom and shall not be responsible for any loss occasioned by any realization or other dealing with or other failure to realize or otherwise deal with all or any part of the Assigned Contract. To the extent permitted by law, the Assignor hereby expressly waives each and every formality prescribed by law in relation to any sale, transfer or delivery of the Assigned Contract.

4. Concerning Liability

Notwithstanding anything contained herein to the contrary, the Assignor shall remain liable to observe and perform all of the terms and provisions on its part to be observed and performed under the Assigned Contract with no liability whatsoever accruing to the Agent.

5. Representation and Warranties of the Assignor

The Assignor hereby represents, warrants and covenants to the Agent that:

- (a) it has made no prior assignment of the Assigned Contract;
- (b) the Assigned Contract has not been amended, supplemented, modified, extended, renewed or replaced other than as disclosed in Schedule "A";
- (c) the Assigned Contract is in full force and effect;
- (d) the Assignor has not received notice of any default under the Assigned Contract;
- (e) the Assignor is not aware that any parties to the Assigned Contract are in default under the Assigned Contract; and
- (f) all necessary approvals and consents have been obtained in order to permit the Assignor to subject to the security interest of this Assignment Agreement the interest of the Assignor in the Assigned Contract.

6. No Further Assignment by the Assignor; No Termination of Assigned Contract

- (a) Neither the Assigned Contract nor any interest of the Assignor therein shall be transferred, assigned or otherwise alienated or encumbered by the Assignor in favour of any person except in accordance with the provisions of the Loan Agreement.
- (b) The Assignor shall not terminate the Assigned Contract nor agree to such termination by any party thereto without the express prior written consent of the Agent.

7. Application of Proceeds

Any proceeds received by the Agent in respect of the Assigned Contract after the occurrence and continuance of an Event of Default, shall be applied by the Agent in accordance with the provisions of the Loan Agreement.

8. No Merger of Obligations

This Assignment Agreement shall not operate by way of merger of any of the obligations of the Assignor under the Loan Agreement, and no judgment recovered by the Agent shall operate by way of

merger of or in any way affect the security hereby constituted which is in addition to and not in substitution for and shall not in any way prejudice any other security now heretofore or hereafter held by the Agent.

9. Termination and Release

Upon payment, satisfaction, settlement or extinguishment of the Assignor's obligations under the Loan Agreement in full, or if the Assignor is otherwise entitled to a release of this Assignment Agreement in accordance with the terms of the Loan Agreement, the Agent, upon request in writing by the Assignor and at the Assignor's expense, shall execute and deliver to the Assignor such deeds or other instruments as shall be requisite to discharge the security interest hereby constituted and to re-assign and transfer to the Assignor all of the right, title and interest of the Agent in and to the Assigned Contract.

10. Further Assurances

The Assignor shall, at its expense, make, execute and deliver, or cause to be made, executed and delivered, all such further acts, documents and things as the Agent may reasonably require for the purposes of giving effect to this Assignment Agreement including, without limiting the generality of the foregoing, for the purpose of facilitating the enforcement of the security over the Assigned Contract hereby constituted and for the purpose of exercising all powers, authorities and discretion hereby conferred upon or acquired by the Agent, all immediately upon the request of the Agent.

11. No Duty to Inquire

No person dealing with the Agent or its agents including, without limitation, the parties to the Assigned Contract, shall be concerned to inquire whether the powers which the Agent or such agents are purporting to exercise under this Assignment Agreement have become exercisable, or whether any money remains due and owing by the Assignor to the Agent, or as to the necessity, expediency, or performance of or compliance with, the stipulations and conditions subject to which any realization shall be made, or otherwise as to the propriety or regularity of any realization or of any other dealing by the Agent with the Assigned Contract or to see to the application of any money paid to the Agent; and in the absence of fraud on the part of such person, such dealings shall be deemed, insofar as regards the safety and protection of such person, to be within the powers hereby conferred and to be valid and effectual accordingly.

12. Severability

In the event that any provision of this Assignment Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction, it shall not affect the validity, legality or enforceability of such provision in any other jurisdiction or the validity, legality or enforceability of any other provision of this Assignment Agreement.

13. Amendments, Etc.

No Amendment to this Assignment Agreement will be valid or binding unless set forth in writing and duly executed by the Assignor and the Agent.

14. Governing Law

This Assignment Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable in the Province of Alberta.

15. Time of the Essence

Time shall be of the essence of this Assignment Agreement.

16. Successors and Assigns

The provisions hereof shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

17. Headings

In this Assignment Agreement, the insertion of headings is for the convenience of reference only and shall not affect the construction or interpretation of this Assignment Agreement.

18. Electronic Execution

The Assignor may deliver an executed signature page to this Assignment Agreement by electronic transmission and such delivery will be as effective as delivery of a manually executed copy of the Assignment Agreement by the Assignor.

19. Acknowledgement and Incorporation of Terms

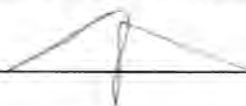
Notwithstanding anything to the contrary expressed or implied in paragraph 2(a) the transfers, assignments and security interests made or created by this Assignment Agreement shall be, and the Agent shall hold the security created by this Assignment Agreement, subject to the terms of the Assigned Contract. For greater certainty it is acknowledged that nothing contained in this paragraph 19 will render the Agent or its agent liable to the Assignor or any other person for any failure by the Agent or its agent to assume or discharge any liability of the Assignor in respect of any obligation of the Assignor unless the Agent otherwise expressly agrees in writing to assume such liability.

[intentionally left blank; signature page follows]

IN WITNESS WHEREOF the undersigned has executed this Assignment Agreement as of the date first written above.

**RAZOR ROYALTIES LIMITED PARTNERSHIP,
by its general partner, RAZOR HOLDINGS GP
CORP.**

**Doug Bailey
President & CEO**

Per: 
Name:
Title:

Per: 
Name: KEVIN BRAUN
Title: CFO

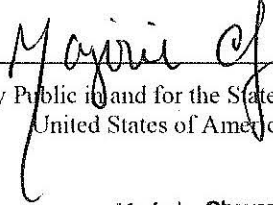
SCHEDULE "A"

**TO A SPECIFIC ASSIGNMENT OF CONTRACT MADE
BETWEEN THE ASSIGNOR AND THE AGENT
DATED AS OF AUGUST 12, 2021**

ASSIGNED CONTRACT

Overriding Royalty Agreement dated as of the date hereof between Razor Energy Corp., as royalty payor, and the Assignor, as royalty owner.

This is Exhibit "I"
Referred to in the Affidavit of
GREGORY WHITE
Sworn before me this 5th day of
November, 2024



Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

AMENDING AGREEMENT

THIS AMENDING AGREEMENT is made as of the 9th day of March, 2022

BETWEEN: **RAZOR ENERGY CORP.**, a corporation existing under the laws of the Province of Alberta ("**Royalty Payor**")

AND: **RAZOR ROYALTIES LIMITED PARTNERSHIP**, a limited partnership existing under the laws of the Province of Alberta ("**Royalty Owner**")

WHEREAS:

- A. Royalty Payor and Royalty Owner are parties (collectively, the "**Parties**") to an overriding royalty agreement dated effective February 16, 2021 (the "**Royalty Agreement**");
- B. Royalty Owner is party to a term loan agreement dated as of February 16, 2021 among Royalty Owner, as borrower, Razor Energy Corp., as parent guarantor, the lenders from time to time party thereto, as lenders, and 405 Dolomite LLC, as administrative agent for the lenders, as amended by a term loan agreement amendment #1 dated as of August 12, 2021, a term loan agreement amendment #2 dated as of September 23, 2021 and a term loan agreement amendment #3 dated as of November 5, 2021 (as amended, the "**Loan Agreement**");
- C. The Loan Agreement is amended and restated pursuant to an amended and restated term loan agreement dated as of March 9, 2022 among Royalty Owner and Swan Hills Geothermal Power Corp., as borrowers, Razor Energy Corp., as parent guarantor, the lenders from time to time party thereto, as lenders, and 405 Dolomite LLC, as administrative agent for the lenders; pursuant to which the loan amount thereunder shall be increased by the principal amount of USD\$11,042,403 (the "**Amended and Restated Loan Agreement**");
- D. In connection with and as consideration for the increase to the loan amount under the Amended and Restated Loan Agreement, the Parties wish to amend the Royalty Agreement to increase the Overriding Royalty thereunder to ten percent (10%) in accordance with the terms and conditions of this Amending Agreement.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Parties agree as follows:

1. **Definitions.** Capitalized terms used in this Amending Agreement will, unless otherwise defined herein, have the meanings attributed to such terms in the Royalty Agreement.
2. **Amendments.**
 - a. The definition of Overriding Royalty in Section 1.1(q) of the Royalty Agreement is hereby deleted in its entirety and replaced with the following:

"**Overriding Royalty**" means the non-convertible gross overriding royalty of ten percent (10%) payable on Royalty Payor's Working Interest share of the gross monthly production of all Petroleum Substances produced from the Royalty Lands that is granted to Royalty Owner pursuant to Section 2.1;"

- b. All references to "nine percent (9%)" in Sections 2.3(a)(ii), 2.3(b)(i), and 2.3(b)(ii) of the Royalty Agreement shall be replaced with "ten percent (10%)".
3. **Continuing Effect.** Each of the Parties acknowledges and agrees that the Royalty Agreement, as amended by this Amending Agreement, continues in full force and effect and is hereby confirmed by the Parties.
4. **Counterparts.** This Amending Agreement may be executed in any number of counterparts (including by facsimile, portable document format (PDF) or other electronic transmission), each of which when executed and delivered will be deemed to be an original, but all of which when taken together constitute one and the same instrument. Any Party may execute this Amending Agreement by signing any counterpart.

IN WITNESS WHEREOF, the Parties have caused this Amending Agreement to be duly executed by their respective authorized officers thereunto duly authorized.

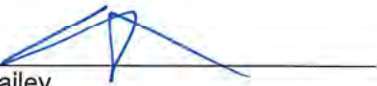
RAZOR ENERGY CORP.

Per: _____


Doug Bailey
Chief Executive Officer

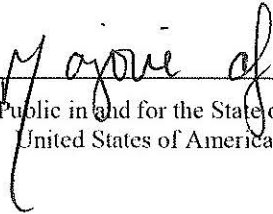
**RAZOR ROYALTIES LIMITED
PARTNERSHIP, by its General Partner,
RAZOR HOLDINGS GP CORP.**

Per: _____


Doug Bailey
Chief Executive Officer

This is Exhibit "J"
Referred to in the Affidavit of
GREGORY WHITE

Sworn before me this 5th day of
November, 2024



Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

AMENDING AGREEMENT

THIS AMENDING AGREEMENT is made as of the 9th day of March, 2022

BETWEEN: **RAZOR ENERGY CORP.**, a corporation existing under the laws of the Province of Alberta ("**Royalty Payor**")

AND: **RAZOR ROYALTIES LIMITED PARTNERSHIP**, a limited partnership existing under the laws of the Province of Alberta ("**Royalty Owner**")

WHEREAS:

- A. Royalty Payor and Royalty Owner are parties (collectively, the "**Parties**") to an overriding royalty agreement dated effective August 12, 2021 (the "**Royalty Agreement**");
- B. Royalty Owner is party to a term loan agreement dated as of February 16, 2021 among Royalty Owner, as borrower, Razor Energy Corp., as parent guarantor, the lenders from time to time party thereto, as lenders, and 405 Dolomite LLC, as administrative agent for the lenders, as amended by a term loan agreement amendment #1 dated as of August 12, 2021, a term loan agreement amendment #2 dated as of September 23, 2021 and a term loan agreement amendment #3 dated as of November 5, 2021 (as amended, the "**Loan Agreement**");
- C. The Loan Agreement is amended and restated pursuant to an amended and restated term loan agreement dated as of March 9, 2022 among Royalty Owner and Swan Hills Geothermal Power Corp., as borrowers, Razor Energy Corp., as parent guarantor, the lenders from time to time party thereto, as lenders, and 405 Dolomite LLC, as administrative agent for the lenders; pursuant to which the loan amount thereunder shall be increased by the principal amount of USD\$11,042,403 (the "**Amended and Restated Loan Agreement**");
- D. In connection with and as consideration for the increase to the loan amount under the Amended and Restated Loan Agreement, the Parties wish to amend the Royalty Agreement to increase the Overriding Royalty thereunder to ten percent (10%) in accordance with the terms and conditions of this Amending Agreement.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Parties agree as follows:

1. **Definitions.** Capitalized terms used in this Amending Agreement will, unless otherwise defined herein, have the meanings attributed to such terms in the Royalty Agreement.
2. **Amendments.**
 - a. The definition of Overriding Royalty in Section 1.1(q) of the Royalty Agreement is hereby deleted in its entirety and replaced with the following:


"**Overriding Royalty**" means the non-convertible gross overriding royalty of ten percent (10%) payable on Royalty Payor's Working Interest share of the gross monthly production of all Petroleum Substances produced from the Royalty Lands that is granted to Royalty Owner pursuant to Section 2.1;"

- b. All references to "nine percent (9%)" in Sections 2.3(a)(ii), 2.3(b)(i), and 2.3(b)(ii) of the Royalty Agreement shall be replaced with "ten percent (10%)".
3. **Continuing Effect.** Each of the Parties acknowledges and agrees that the Royalty Agreement, as amended by this Amending Agreement, continues in full force and effect and is hereby confirmed by the Parties.
4. **Counterparts.** This Amending Agreement may be executed in any number of counterparts (including by facsimile, portable document format (PDF) or other electronic transmission), each of which when executed and delivered will be deemed to be an original, but all of which when taken together constitute one and the same instrument. Any Party may execute this Amending Agreement by signing any counterpart.

IN WITNESS WHEREOF, the Parties have caused this Amending Agreement to be duly executed by their respective authorized officers thereunto duly authorized.


RAZOR ENERGY CORP.

Per: _____


Doug Bailey
Chief Executive Officer

**RAZOR ROYALTIES LIMITED
PARTNERSHIP, by its General Partner,
RAZOR HOLDINGS GP CORP.**

Per: _____


Doug Bailey
Chief Executive Officer

This is Exhibit "K"
Referred to in the Affidavit of
GREGORY WHITE

Sworn before me this 5th day of
November 2024

Marjorie Chavez

Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expres 5/7/2025

SECURITIES PLEDGE AGREEMENT

THIS SECURITIES PLEDGE AGREEMENT made as of February 16, 2021 is executed by **RAZOR ENERGY CORP.** (the "**Pledgor**") in favour of **405 DOLOMITE LLC** (the "**Agent**"), in its capacity as administrative agent for and on behalf of itself and for the benefit of the Lenders under the Credit Agreement (as such terms are hereinafter defined).

WHEREAS the Borrower has entered into a term loan agreement dated as of the date hereof (as amended, modified, supplemented, restated or replaced from time to time, the "**Loan Agreement**") among the Borrower, as borrower, the Pledgor, as guarantor, the Agent, as administrative agent, and lenders that are parties thereto, as lenders (the "**Lenders**");

AND WHEREAS the Pledgor has agreed to guarantee pursuant to a guarantee dated as of the date hereof (the "**Guarantee**"), in favour of the Agent, for and on behalf of the Lenders, the payment of and performance by, the Borrower of all present and future indebtedness, liabilities and obligations of the Borrower to the Lenders pursuant to the Loan Agreement (the "**Guaranteed Obligations**");

AND WHEREAS the Pledgor is the registered, legal and beneficial owner of the Pledged Stock (as hereinafter defined);

AND WHEREAS as security for the Guaranteed Obligations, the Pledgor has agreed to pledge to the Agent, for and on behalf of itself and the Lenders, among other things, the Pledged Stock as security for the payment and performance of the Obligations (as hereinafter defined), upon the terms and conditions herein set out;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of Cdn. Ten (\$10.00) Dollars now paid by the Agent, for and on behalf of itself and the Lenders, to the Pledgor (the receipt and sufficiency of which is hereby acknowledged by the Pledgor) and in consideration of the mutual covenants and agreements contained herein, the parties hereto covenant and agree as follows:

1. Definitions

- (a) All terms used herein with initial capital letters, unless otherwise defined herein, shall have the meanings ascribed to such terms in the Loan Agreement.
- (b) The terms "**certificated security**", "**entitlement holder**", "**financial asset**", "**instruments**", "**intangibles**", "**investment property**", "**money**", "**security entitlement**", "**securities intermediary**" and "**uncertificated security**" have the meanings given to them under the PPSA (as hereinafter defined).
- (c) In this Pledge Agreement:
 - (i) "**Borrower**" means Razor Royalties Limited Partnership;
 - (ii) "**Default**" shall have the meaning ascribed thereto in Section 9;
 - (iii) "**Investment Collateral**" means all present and future investment property and financial assets of the Pledgor, including without limitation all present and future options and warrants of the Pledgor and all other rights and entitlements arising therefrom or related thereto, and the Pledgor's present and future interests in partnerships, limited partnerships, limited liability partnerships and limited liability companies and including without limitation all substitutions for any of the foregoing and dividends derived therefrom or payable in connection therewith;
 - (iv) "**Loan Agreement**" shall have the meaning ascribed thereto in the above-noted recitals;

- (v) "**Obligations**" means all obligations, liabilities and indebtedness, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, determined or undetermined, of the Borrower and the Pledgor to the Agent and the Lenders, whether for principal, interest, interest on overdue and unpaid interest, fees, costs, expenses and indemnities now or hereafter existing under the Loan Agreement or any security collateral thereto;
- (vi) "**Pledged Collateral**" shall have the meaning ascribed thereto in Section 3 hereof;
- (vii) "**Pledged Securities**" shall have the meaning ascribed thereto in Section 3 hereof;
- (viii) "**Pledged Stock**" means 100 limited partnership Units in the capital of the Borrower represented by Certificate No. LP1 dated the date hereof;
- (ix) "**PPSA**" means the *Personal Property Security Act (Alberta)*, as amended from time to time and any legislation substituted therefore and any amendments thereto;
- (x) "**Security Enforcement Notice**" shall have the meaning ascribed thereto in Section 9 hereof; and
- (xi) "**Substitute Assignee**" shall have the meaning ascribed thereto in Section 9 hereof.

2. **Recitals**

The Pledgor confirms the validity and truth of the above-noted recitals, which shall have the same force and effect as if repeated herein in full.

3. **Pledge and Grant of Security Interest**

As continuing security for the due and timely satisfaction and performance by the Pledgor of the Obligations, the Pledgor hereby assigns, transfers, hypothecates, pledges and grants a security interest to and in favour of the Agent, for and on behalf of itself and the Lenders, in and to all of the Pledgor's right, title and interest, whether now existing or hereafter arising, in all Investment Collateral, instruments, money and general intangibles of, relating to or arising from the following property (collectively the "**Pledged Collateral**"):

- (a) the Pledged Stock and other Investment Collateral in the capital of the Borrower hereafter acquired by the Pledgor (all of the foregoing being collectively referred to herein as the "**Pledged Securities**");
- (b) all present and after acquired dividends (including cash dividends), trust distributions, partnership distributions, return of capital, other distributions (including share, unit or partnership interest, redemption proceeds), or other property, Investment Collateral or instruments issued in respect of or in exchange for the Pledged Securities, whether by way of dividends, trust distributions, partnership distributions, stock dividends, trust distributions, partnership distributions, recapitalizations, mergers, consolidations, split-ups, combinations or exchanges of shares, units, partnership interests or otherwise;
- (c) all present and after acquired rights, interests and claims of the Pledgor relating to or arising from the Pledged Securities, including without limitation all rights to receive notices of and attend meetings of shareholders, unitholders or partners (as applicable) and all present and future rights of the Pledgor to vote the Pledged Securities, subject to Section 4(a); and
- (d) subject to Section 9, all direct and indirect proceeds of the foregoing.

Notwithstanding the foregoing, the Pledged Collateral for the purposes of this Pledge Agreement shall not extend to any Excluded Property and the security interests created herein shall not extend to any Excluded Property. For the purposes of this Pledge Agreement, "Excluded Property" means any and all present and future equity and other interests in the capital of Blade Energy Services Corp., Razor Resources Corp. and FutEra Power Corp., and any of their Subsidiaries, including any of the property described in (a) to (d) above related to or derived therefrom.

The parties acknowledge that: (a) value has been given; (b) the Pledgor has rights in the Pledged Collateral existing on the date hereof and the power to transfer rights in the Pledged Collateral to the Agent, for and on behalf of itself and the Lenders; (c) the parties have not agreed to postpone the time for attachment of the security interest created hereby; and (d) the security interest created in this Pledge Agreement shall immediately attach to all Pledged Collateral hereafter acquired as soon as the Pledgor acquires rights thereto or therein.

4. Voting and Distribution Rights

- (a) Provided no Default or Event of Default has occurred and is continuing:
 - (i) the Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of this Pledge Agreement;
 - (ii) the Pledgor shall be entitled to receive and retain any and all dividends or other distributions and principal or interest paid in respect of the Pledged Collateral, provided however, that any and all dividends or other distributions and principal or interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral shall be forthwith delivered to the Agent, for and on behalf of itself and the Lenders, to be held as, Pledged Collateral, and be forthwith delivered to the Agent in the same form as so received (with any necessary endorsement). The Pledgor shall, upon request by the Agent, promptly execute such documents and do such acts as may be necessary or reasonably advisable by the Agent to give effect to the provisions of this Section 4; and
 - (iii) the Agent, for and on behalf of itself and the Lenders, shall execute and deliver (or cause to be executed and delivered) to the Pledgor all such proxies and other instruments as the Pledgor may reasonably request for the purpose of enabling the Pledgor to exercise the voting and other rights that it is entitled to exercise pursuant to subsection (a)(i) of this Section 4.
- (b) Upon the occurrence of and during the continuation of a Default or an Event of Default:
 - (i) all rights of the Pledgor to exercise the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 4(a) shall cease, immediately upon written notice given by the Agent to the Pledgor with respect to the exercise of such rights, and upon the giving of such notice all such rights shall thereupon become vested in the Agent, for and on behalf of itself and the Lenders, who shall thereupon have the sole right to exercise such voting and other consensual rights;
 - (ii) all rights of the Pledgor to receive the dividends or other distributions and principal or interest payments which it would otherwise be authorized to receive and retain pursuant to Section 4(a) shall cease, and all such rights shall thereupon become vested in the Agent, for and on behalf of itself and the Lenders, who shall thereupon have the sole right to receive and hold

as Pledged Collateral such dividends or other distributions and principal or interest payments;

- (iii) all dividends or other distributions and principal or interest payments which are received by the Pledgor contrary to the provisions of Section 4(a) shall be received in trust for the benefit of the Agent, for and on behalf of itself and the Lenders, shall be segregated from other property or funds of the Pledgor, and shall be forthwith paid over to the Lender as Pledged Collateral in the same form as so received (with any necessary endorsement); and
- (iv) the Agent, for and on behalf of itself and the Lenders, shall have the right at any time, and from time to time, to notify the issuers or obligors under any Pledged Collateral to make payments of all dividends, or other distributions, principal or interest payments or other amounts due or to become due to the Pledgor thereunder directly to the Agent and, upon such notification and at the expense of the Pledgor, to enforce collection thereof, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Pledgor might have done.

5. Delivery and Registration of Pledged Securities

- (a) The Pledgor shall upon execution of this Pledge Agreement deliver to the Agent, for and on behalf of itself and the Lenders, all of the certificates representing the Pledged Securities registered in the name of the Pledgor, endorsed in blank by the Pledgor, together with a transfer power in the form attached hereto as Schedule "A", duly executed in blank;
- (b) Regarding any and all Pledged Collateral that is a certificated security, an uncertificated security or a security entitlement, the Pledgor shall, or shall cause the issuer of such Pledged Collateral to, or shall cause the securities intermediary that holds such Pledged Collateral to, take all steps as are necessary to give exclusive control over such Pledged Collateral to the Agent, for and on behalf of itself and the Lenders, on terms and conditions satisfactory to the Agent;
- (c) At the request of the Agent after and during the continuance of a Default or an Event of Default, (i) the Pledgor shall cause any Pledged Collateral that is in a registered or registrable form to be registered or re-registered in the name of the Agent, and the Agent is hereby appointed the irrevocable attorney (coupled with an interest) of the Pledgor with full power of substitution to cause any or all of the Pledged Collateral to be registered in the name of the Agent or its nominee, (ii) the Pledgor shall cause such securities intermediary that holds any Pledged Collateral that is a security entitlement to record the Agent as the entitlement holder of such Pledged Collateral, and/or (iii) the Pledgor shall (A) cause a security certificate to be issued for any Pledged Collateral that is in the form of an uncertificated security or a security entitlement, (B) endorse such security certificate in blank, (C) deliver such security certificate to the Agent, for and on behalf of itself and the Lenders, and (D) take all other steps necessary to give exclusive control over such certificated security to the Agent, for and on behalf of itself and the Lenders,; and
- (d) To the extent the Pledgor acquires, by way of amalgamation or otherwise, any additional Pledged Securities, at any time and from time to time, the Pledgor shall deliver to the Agent, for and on behalf of itself and the Lenders, additional Pledged Securities, accompanied by a written order of the Pledgor as owner thereof, identifying the additional Pledged Securities and stating that the same are to form part of the security hereunder. Any additional Pledged Securities delivered by the Pledgor to the Agent, for and on behalf of itself and the Lenders, under any

provisions of this Pledge Agreement shall become and be subject to the provisions of this Pledge Agreement.

6. Representations and Warranties

The Pledgor hereby represents and warrants to the Agent as follows:

- (a) **Pledged Securities:** the Pledged Securities have been duly authorized and are validly issued and are fully paid and non-assessable, and it is the registered, legal and beneficial owner of the Pledged Securities which are owned free and clear of any and all liens except for Permitted Liens and it has full right, power and authority to pledge and to create a security interest in and to each and every of the Pledged Securities;
- (b) **Pledged Securities:** the Pledged Stock is (i) all of the issued and outstanding shares, units and partnership interests in the capital stock of the Borrower owned by the Pledgor as of the date hereof, (ii) 100% of the issued and outstanding shares, units and partnership interests in the capital stock of the Borrower; and
- (c) **No Required Disposition:** no person has, nor during the term of this Pledge Agreement shall have, an agreement or option or any right or privilege capable of becoming an agreement or option to acquire any right or interest in the Pledged Collateral or any party thereof.

7. Covenants

The Pledgor hereby covenants and agrees with the Agent that:

- (a) any substituted Pledged Collateral shall be held by the Agent, for and on behalf of itself and the Lenders, subject to the same terms and conditions and with the same powers and authorities, as are hereby declared and conferred. The Agent, for and on behalf of itself and the Lenders, shall not be required to surrender any of the Pledged Collateral until all of the Obligations have been fully and finally paid and satisfied; and
- (b) the Agent, for and on behalf of itself and the Lenders, shall have the right to but shall not be bound nor required to exercise any option or right which the holder of any of the Pledged Collateral may at any time have, provided, however, if the Agent, for and on behalf of itself and the Lenders, chooses to exercise any such option any advance made for such purposes shall be added to the Obligations and all the provisions hereof shall apply thereto.

8. Continued Perfection of Security Interest

The Pledgor agrees that from time to time, at the expense of the Pledgor, the Pledgor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary, or that the Agent may reasonably request, in order to perfect and protect the pledge, hypothecation and security interest granted or purported to be granted hereby or to enable the Agent, for and on behalf of itself and the Lenders, to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral.

The Pledgor hereby further authorizes the Agent to file at the Pledgor's cost and expense one or more financing or financing change statements, and amendments thereto, relative to all or any part of the Pledged Collateral without the signature of the Agent where permitted by applicable law.

9. Events of Default and Remedies

- (a) During the period during which an Event of Default shall have occurred and be continuing:

- (i) the Agent, for and on behalf of itself and the Lenders, shall have all of the rights and remedies with respect to the Pledged Collateral of a secured party under the PPSA (whether or not said PPSA is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted;
 - (ii) the Agent, for and on behalf of itself and the Lenders, in its discretion may, in its name or in the name of the Pledgor or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Pledged Collateral;
 - (iii) the Agent, for and on behalf of itself and the Lenders, may, subject to applicable law, with respect to the Pledged Collateral or any part thereof that shall then be or shall thereafter come into the possession, custody or control of the Agent or any of its agents or assignees, sell, assign or otherwise dispose of all or any part of such Pledged Collateral, at such place or places as the Agent deems best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is required above or by applicable statute and cannot be waived), and the Agent, its assignees hereunder or anyone else may be the purchaser, assignee or recipient of any or all of the Pledged Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of the Pledgor, any such demand, notice and right or equity being hereby expressly waived and released. The Agent, for and on behalf of itself and the Lenders, may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned; and
 - (iv) the Agent, for and on behalf of itself and the Lenders, may directly or indirectly acquire or retain the Pledged Collateral as permitted by applicable law;
- (b) The records of the Agent as to the occurrence and continuation of a Default or an Event of Default shall be prima facie evidence of such Default or Event of Default;
 - (c) The Agent, for and on behalf of itself and the Lenders, shall not be bound under any circumstances to realize upon any Pledged Collateral or allow any Pledged Collateral to be sold, and shall not be responsible for any loss occasioned by any sale or by the retention of or refusal to sell Pledged Collateral; nor shall the Agent be obliged to collect or see to the payment of interest, distributions or dividends thereon;
 - (d) The proceeds of any sale or disposition of the Pledged Collateral by the Agent, for and on behalf of itself and the Lenders, may be applied upon such part of the Obligations, direct or indirect, as the Agent may see fit;
 - (e) After the occurrence and during the continuance of an Event of Default, the Agent, for and on behalf of itself and the Lenders, may transfer all or any of the Pledged Collateral and may fill in all blanks in any transfers of stocks or certificates or any power of attorney or other documents delivered to it, and the Agent, for and on behalf of itself and the Lenders, may delegate its powers and any subdelegate of

the powers hereby given may exercise the same in the name and on behalf of the Pledgor;

- (f) At the request of the Agent, the Pledgor will, at its own expense, execute all such transfers and documents as may be reasonably required, with all such powers of sale and other necessary powers as may be expedient for vesting in the Agent, for and on behalf of itself and the Lenders, or such person or nominee as it may appoint, all and every Pledged Collateral; and
- (g) All reasonable costs and charges incurred by the Agent, for and on behalf of itself and the Lenders, with reference to the Pledged Collateral or the realization thereof (including all reasonable legal costs on the basis as between a solicitor and his own client and court costs paid and also including expenses of taking possession of, protecting and realizing upon any property comprised in the Pledged Collateral as well as interest on all overdue amounts pursuant to the Loan Agreement) shall be added to the Obligations and shall be a first charge and security interest upon the monies received.

The Agent, or such person or nominee as it may appoint, may upon the occurrence of an Event of Default, give the Borrower notice (a "**Security Enforcement Notice**") that a demand has been made for payment or performance of the Obligations and that the Agent has commenced exercising its rights to realize on the Pledged Collateral under this Pledge Agreement to sell, assign, transfer or otherwise dispose of Pledged Collateral to another person (the "**Substitute Assignee**"). The Borrower agrees that if it receives a Security Enforcement Notice from the Agent, that the Agent or the Substitute Assignee (as applicable) shall succeed to all of the rights, title and interest (but not the obligation) of the Pledgor in exercising the rights of the Agent under the Pledge Agreement to make all demands, give all notices and take all actions and exercise all rights of the Pledgor.

The Pledgor recognizes that, by reason of certain prohibitions contained in applicable securities laws, the Agent may be compelled, with respect to any sale of all or any part of the Pledged Collateral, to limit purchasers to those who will agree, among other things, to acquire the Pledged Collateral for their own account, for investment and not with a view to the distribution or resale thereof. The Pledgor acknowledges that any such private sales may be at prices and on terms less favourable to the Agent and the Lenders than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Agent, for and on behalf of itself and the Lenders, shall have no obligation to engage in public sales and no obligation to delay the sale of any Pledged Collateral for any period of time.

10. Power of Attorney

The Pledgor hereby appoints the Agent as attorney of the Pledgor, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise, from time to time in the Agent's discretion to take any and all actions authorized to be taken by the Agent under this Pledge Agreement or by applicable law at any time after the occurrence and during the continuance of an Event of Default that the Agent, acting reasonably, may deem necessary or advisable to accomplish the purposes of this Pledge Agreement, including, without limitation, to ask for, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in connection with the Pledged Collateral, to receive, endorse, and collect any drafts or other instruments or documents in connection therewith, and to file any claims or take any action or institute any proceedings which the Agent may deem to be necessary or desirable for the collection thereof or to enforce compliance with the terms and conditions of this Pledge Agreement. Such appointment of the Agent as the Pledgor's attorney is coupled with an interest and is irrevocable. The power of attorney herein granted is in addition to, and not in substitution for, any powers of attorney in the form attached hereto as Schedule "A" delivered by the Pledgor with delivery of the Pledged Collateral and such powers of attorney in the form attached hereto as Schedule "A" may be relied upon by the Agent severally or in combination.

11. Remaining Liability

Notwithstanding anything herein contained to the contrary:

- (a) the Pledgor shall remain liable under any contracts and agreements included in or relating to the Pledged Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Pledge Agreement had not been executed;
- (b) the exercise by the Agent, for and on behalf of itself and the Lenders, of any of its rights hereunder shall not release the Pledgor from any of its duties or obligations under the contracts and agreements included in or related to the Pledged Collateral;
- (c) the Agent, for and on behalf of itself and the Lenders, shall not have any obligation or liability under the contracts and agreements included in or related to the Pledged Collateral by reason of this Pledge Agreement, nor shall the Agent be obligated to perform any of the obligations or duties of the Pledgor thereunder or to take an action to collect or enforce any claim for payment assigned thereunder; and
- (d) the recourse of the Agent, for and on behalf of itself and the Lenders, hereunder shall in all cases be limited to the Pledged Collateral.

12. Non-Merger

This Pledge Agreement shall not operate by way of merger of any of the Obligations, and no judgment recovered by the Agent, for and on behalf of itself and the Lenders, shall operate by way of merger of or in any way affect the security hereby constituted which is in addition to and not in substitution for and shall not in any way prejudice any other security now, heretofore or hereafter held by the Agent, for and on behalf of itself and the Lenders.

13. Exhaust Recourses

It is further agreed that the Agent, for and on behalf of itself and the Lenders, shall not be obliged to exhaust its recourses against the Pledgor or any other party or against any other security it may hold before realizing on or otherwise dealing with the Pledged Collateral. The Agent, for and on behalf of itself and the Lenders, may realize on the Pledged Collateral in such manner as it considers desirable, and it may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any and all existing Pledged Collateral up to, may abstain from taking securities from, or from perfecting securities of, may accept compositions from, and may otherwise deal with the Pledgor and the Pledged Collateral, as the Agent may see fit, without prejudice to the rights of the Agent, for and on behalf of itself and the Lenders, set out herein to hold, deal with and realize on the Pledged Collateral.

14. Degree of Care

The Agent, for and on behalf of itself and the Lenders, shall have the obligation to use reasonable care in the safe custody of the Pledged Collateral in its possession, but shall have no other obligations or duties with respect to the Pledged Collateral. Without limiting the generality of the foregoing, the Agent, for and on behalf of itself and the Lenders, shall be under no obligation to take any steps necessary to preserve rights in the Pledged Collateral against any other parties, or to keep the Pledged Collateral identifiable or to exercise any rights arising pursuant to the Pledged Collateral, but may do so at its option after becoming entitled to exercise the remedies referred to herein and all expenses incurred in connection therewith shall be for the sole account of the Pledgor and shall be added to the Pledgor's obligations hereunder. The Agent, for and on behalf of itself and the Lenders, shall not be liable for any loss or depreciation in the value of the Pledged Collateral.

15. Liability for Others

The Agent, for and on behalf of itself and the Lenders, shall not be responsible for or on account of any act or omission of any broker or similar agent employed by the Agent to purchase

or sell any stocks, bonds, shares or securities for the account of the Pledgor. In no event shall the Agent be responsible for or warrant title to any securities dealt in for the Pledgor accounts.

16. Redelivery

When all of the Obligations have been satisfied to the Agent's satisfaction, the Agent will, at the request of the Pledgor, redeliver the Pledged Securities to the Pledgor.

17. Governing Laws

This Pledge Agreement shall be subject to the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall be construed and enforced in accordance with such laws. The Pledgor hereby accepts and irrevocably submits to the non-exclusive jurisdiction of the courts of Alberta and agrees to be bound by any judgment thereof, without prejudice to the rights of the Agent, for and on behalf of itself and the Lenders, to take proceedings in any other jurisdictions.

18. Binding Effect

This Pledge Agreement shall be binding upon the Pledgor and its successors and permitted assigns and shall enure to the benefit of the Agent, for and on behalf of itself and the Lenders, and their successors and assigns. The Pledgor shall not be permitted to assign any of its obligations hereunder without the prior written consent of the Agent. "Successors" shall include any corporation or company resulting from the amalgamation of one or more corporations or companies.

19. Amendments; Etc.

No amendment or waiver of any provision of this Pledge Agreement nor consent to any departure by the Pledgor therefrom shall in any event be effective unless the same shall be in writing and signed by the Pledgor and the Agent, and then such waiver or consent shall be effective only in the specific instance for the specific purpose for which given.

20. Addresses for Notices

(a) All notices required or permitted hereunder shall be in writing and provided by delivery, telecopy, email or other similar form of telecommunication to the parties at the addresses as follows:

To the Pledgor:

Razor Energy Corp.
Suite 800, 500-5th Avenue SW
Calgary, Alberta T2P 3L5
Attention: Doug Bailey
Telecopier: _____
Email: dbailey@razor-energy.com

To the Agent:

405 Dolomite LLC
405 Lexington Avenue, 59th Floor,
New York, New York 10174
Attention: Greg White/Spencer Rolfe
Telecopier: _____
Email: gwhite@arenaco.com / srolfe@arenaco.com

(b) Any notice, if personally delivered, shall be deemed to have been given and received on the day on which it was so delivered, and if not a Business Day then on the Business Day next following the day of delivery. Any notice, if sent by telecopier, email or other similar form of telecommunication, shall be deemed to have been given and received

on the day it is sent provided such day is a Business Day and it is received prior to 5:00 p.m. (recipient's time), otherwise it shall be deemed to have been given and received on the next Business Day following the date it was sent, provided in all cases that the sender receives a confirmation report from the sending machine indicating that the telecommunication was sent. Any party may at any time give notice in writing to the other party of any change of address of the party giving such notice and from and after giving such notice the address specified in such notice shall be deemed to be the address of such party for the giving of notices hereunder. Until such notice of change of address is received, notice sent to the last address stipulated as provided herein shall be deemed to be effective, notwithstanding a subsequent change of address.

21. Severability

Any provision hereof that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and without affecting the validity or enforceability of any provision in any other jurisdiction.

22. Paramountcy

- (a) The Agent agrees and acknowledges that this Pledge Agreement has been granted by the Pledgor to the Agent, for and on behalf of itself and the Lenders, pursuant to the Loan Agreement, and to the extent that any provisions of this Pledge Agreement conflict or are inconsistent with any of the provisions of the Loan Agreement, the Loan Agreement shall govern and prevail to resolve such conflict or inconsistency in any and all circumstances, such that the provisions of the Loan Agreement shall be paramount to and supersede the provisions of this Pledge Agreement.
- (b) Notwithstanding anything herein to the contrary, including paragraph (a) above, the exercise of any right or remedy by the Agent or any Lender hereunder are subject, in all respects to the terms of the AIMCo Subordination Agreement. In the event of any conflict or inconsistency between the provisions of this Pledge Agreement and the provisions of the AIMCo Subordination Agreement, then, notwithstanding anything contained in this Pledge Agreement, the provisions contained in the AIMCo Subordination Agreement shall prevail to the extent of such conflict or inconsistency and the provisions of this Pledge Agreement shall be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency.

23. Headings

The headings herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

24. Execution in Counterparts

This Pledge Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. For the purposes of this Section 24, the delivery of a facsimile copy or pdf formatted copy of an executed counterpart of this Pledge Agreement shall be deemed to be valid execution and delivery of this Pledge Agreement, but the party delivering a facsimile copy or pdf formatted copy shall deliver an original copy of this Pledge Agreement as soon as possible after delivering the facsimile or pdf formatted copy.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the Pledgor has set its hand and seal as of the day and year first above written.

RAZOR ENERGY CORP.

Per: _____

Name: _____
Title: **Doug Bailey**
President & CEO

Per: _____

Name: *Kevin Braun*
Title: **KEVIN BRAUN**
CFO

405 DOLOMITE LLC

Per: _____

Name: _____
Title: _____

Per: _____

Name: _____
Title: _____

IN WITNESS WHEREOF the Pledgor has set its hand and seal as of the day and year first above written.

RAZOR ENERGY CORP.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

405 DOLOMITE LLC

DocuSigned by:
Lawrence Cutler
Per: _____
Name: Lawrence Cutler
Title:

Per: _____
Name:
Title:

ACKNOWLEDGEMENT AND CONSENT

The undersigned issuer of the Pledged Collateral referred to in the foregoing Pledge Agreement hereby (i) acknowledges receipt of a copy thereof, and agrees to be bound thereby and to comply with the terms thereof insofar as such terms are applicable to it, (ii) agrees to register the pledge of the Pledged Collateral and to take all further action as may be required under the law of the undersigned's organization to effect or perfect such pledge and (iii) acknowledges that no transfer or pledge of such Pledged Collateral or the voting or other rights relating thereto has been made on the register of the undersigned, except in the name of the Agent. The undersigned agrees to notify the Agent promptly in writing of the occurrence of any of the events described in Section 4(a)(ii) of the foregoing Pledge Agreement. The undersigned further agrees that the terms of Section 10 of the foregoing Pledge Agreement shall apply to it, in all material respects, with respect to all actions that may be required of it under or pursuant to or arising out of Section 10 of the foregoing Pledge Agreement.

**RAZOR ROYALTIES LIMITED PARTNERSHIP,
by its general partner, RAZOR HOLDINGS GP
CORP.**

Per: 
Name: **Doug Bailey**
Title: **President & CEO**

Per: 
Name: **KEVIN BRAUN**
Title: **CFO**

SCHEDULE "A"
POWER OF ATTORNEY

Description of Securities:

100 limited partnership Units (the "**Securities**") in the capital of **Razor Royalties Limited Partnership**, a limited partnership formed under the laws of Alberta (the "**Borrower**") represented by certificate no.: LP1.

FOR VALUE RECEIVED, the undersigned hereby pursuant to the Pledge Agreement dated February _____, 2021 as amended, supplemented, modified, restated or replaced from time to time:

1. sells, assigns and transfers unto _____ the aforementioned Units standing in the name of the undersigned on the books of the Borrower; and
2. irrevocably constitutes and appoints _____ the Attorney(s) of the undersigned to complete the foregoing transfer and/or any transfer on the transfer panel of the respective share certificates representing such Securities and to transfer the said Securities on the books of the Borrower, with full power of substitution in the premises.

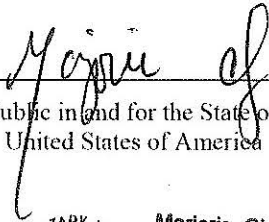
DATED effective this ____ day of _____, 202__.

RAZOR ENERGY CORP.

Per: _____

Authorized Signatory

This is Exhibit "L"
Referred to in the Affidavit of
GREGORY WHITE
Sworn before me this 5th day
of November, 2024



Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

SECURITIES PLEDGE AGREEMENT

THIS SECURITIES PLEDGE AGREEMENT made as of February 16, 2021 is executed by **RAZOR ENERGY CORP.** (the "**Pledgor**") in favour of **405 DOLOMITE LLC** (the "**Agent**"), in its capacity as administrative agent for and on behalf of itself and for the benefit of the Lenders under the Credit Agreement (as such terms are hereinafter defined).

WHEREAS the Borrower has entered into a term loan agreement dated as of the date hereof (as amended, modified, supplemented, restated or replaced from time to time, the "**Loan Agreement**") among the Borrower, as borrower, the Pledgor, as guarantor, the Agent, as administrative agent, and lenders that are parties thereto, as lenders (the "**Lenders**");

AND WHEREAS the Pledgor has agreed to guarantee pursuant to a guarantee dated as of the date hereof (the "**Guarantee**"), in favour of the Agent, for and on behalf of the Lenders, the payment of and performance by, the Borrower of all present and future indebtedness, liabilities and obligations of the Borrower to the Lenders pursuant to the Loan Agreement (the "**Guaranteed Obligations**");

AND WHEREAS the Pledgor is the registered, legal and beneficial owner of the Pledged Stock (as hereinafter defined);

AND WHEREAS as security for the Guaranteed Obligations, the Pledgor has agreed to pledge to the Agent, for and on behalf of itself and the Lenders, among other things, the Pledged Stock as security for the payment and performance of the Obligations (as hereinafter defined), upon the terms and conditions herein set out;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of Cdn. Ten (\$10.00) Dollars now paid by the Agent, for and on behalf of itself and the Lenders, to the Pledgor (the receipt and sufficiency of which is hereby acknowledged by the Pledgor) and in consideration of the mutual covenants and agreements contained herein, the parties hereto covenant and agree as follows:

1. Definitions

- (a) All terms used herein with initial capital letters, unless otherwise defined herein, shall have the meanings ascribed to such terms in the Loan Agreement.
- (b) The terms "**certificated security**", "**entitlement holder**", "**financial asset**", "**instruments**", "**intangibles**", "**investment property**", "**money**", "**security entitlement**", "**securities intermediary**" and "**uncertificated security**" have the meanings given to them under the PPSA (as hereinafter defined).
- (c) In this Pledge Agreement:
 - (i) "**Borrower**" means Razor Royalties Limited Partnership;
 - (ii) "**Default**" shall have the meaning ascribed thereto in Section 9;
 - (iii) "**Issuer**" means Razor Holdings GP Corp.;
 - (iv) "**Investment Collateral**" means all present and future investment property and financial assets of the Pledgor, including without limitation all present and future options and warrants of the Pledgor and all other rights and entitlements arising therefrom or related thereto, and the Pledgor's present and future interests in partnerships, limited partnerships, limited liability partnerships and limited liability companies and including without limitation all substitutions for any of the foregoing and dividends derived therefrom or payable in connection therewith;

- (v) **"Loan Agreement"** shall have the meaning ascribed thereto in the above-noted recitals;
- (vi) **"Obligations"** means all obligations, liabilities and indebtedness, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, determined or undetermined, of the Borrower and the Pledgor to the Agent and the Lenders, whether for principal, interest, interest on overdue and unpaid interest, fees, costs, expenses and indemnities now or hereafter existing under the Loan Agreement or any security collateral thereto;
- (vii) **"Pledged Collateral"** shall have the meaning ascribed thereto in Section 3 hereof;
- (viii) **"Pledged Securities"** shall have the meaning ascribed thereto in Section 3 hereof;
- (ix) **"Pledged Stock"** means 100 Common Shares in the capital of the Issuer represented by Certificate No. C-1 dated the date hereof;
- (x) **"PPSA"** means the *Personal Property Security Act (Alberta)*, as amended from time to time and any legislation substituted therefore and any amendments thereto;
- (xi) **"Security Enforcement Notice"** shall have the meaning ascribed thereto in Section 9 hereof; and
- (xii) **"Substitute Assignee"** shall have the meaning ascribed thereto in Section 9 hereof.

2. **Recitals**

The Pledgor confirms the validity and truth of the above-noted recitals, which shall have the same force and effect as if repeated herein in full.

3. **Pledge and Grant of Security Interest**

As continuing security for the due and timely satisfaction and performance by the Pledgor of the Obligations, the Pledgor hereby assigns, transfers, hypothecates, pledges and grants a security interest to and in favour of the Agent, for and on behalf of itself and the Lenders, in and to all of the Pledgor's right, title and interest, whether now existing or hereafter arising, in all Investment Collateral, instruments, money and general intangibles of, relating to or arising from the following property (collectively the **"Pledged Collateral"**):

- (a) the Pledged Stock and other Investment Collateral in the capital of the Issuer hereafter acquired by the Pledgor (all of the foregoing being collectively referred to herein as the **"Pledged Securities"**);
- (b) all present and after acquired dividends (including cash dividends), trust distributions, partnership distributions, return of capital, other distributions (including share, unit or partnership interest, redemption proceeds), or other property, Investment Collateral or instruments issued in respect of or in exchange for the Pledged Securities, whether by way of dividends, trust distributions, partnership distributions, stock dividends, trust distributions, partnership distributions, recapitalizations, mergers, consolidations, split-ups, combinations or exchanges of shares, units, partnership interests or otherwise;
- (c) all present and after acquired rights, interests and claims of the Pledgor relating to or arising from the Pledged Securities, including without limitation all rights to receive notices of and attend meetings of shareholders, unitholders or partners (as applicable) and all present and future rights of the Pledgor to vote the Pledged Securities, subject to Section 4(a); and

- (d) subject to Section 9, all direct and indirect proceeds of the foregoing.

Notwithstanding the foregoing, the Pledged Collateral for the purposes of this Pledge Agreement shall not extend to any Excluded Property and the security interests created herein shall not extend to any Excluded Property. For the purposes of this Pledge Agreement, "Excluded Property" means any and all present and future equity and other interests in the capital of Blade Energy Services Corp., Razor Resources Corp. and FutEra Power Corp., and any of their Subsidiaries, including any of the property described in (a) to (d) above related to or derived therefrom.

The parties acknowledge that: (a) value has been given; (b) the Pledgor has rights in the Pledged Collateral existing on the date hereof and the power to transfer rights in the Pledged Collateral to the Agent, for and on behalf of itself and the Lenders; (c) the parties have not agreed to postpone the time for attachment of the security interest created hereby; and (d) the security interest created in this Pledge Agreement shall immediately attach to all Pledged Collateral hereafter acquired as soon as the Pledgor acquires rights thereto or therein.

4. Voting and Distribution Rights

- (a) Provided no Default or Event of Default has occurred and is continuing:
- (i) the Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of this Pledge Agreement;
 - (ii) the Pledgor shall be entitled to receive and retain any and all dividends or other distributions and principal or interest paid in respect of the Pledged Collateral, provided however, that any and all dividends or other distributions and principal or interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral shall be forthwith delivered to the Agent, for and on behalf of itself and the Lenders, to be held as, Pledged Collateral, and be forthwith delivered to the Agent in the same form as so received (with any necessary endorsement). The Pledgor shall, upon request by the Agent, promptly execute such documents and do such acts as may be necessary or reasonably advisable by the Agent to give effect to the provisions of this Section 4; and
 - (iii) the Agent, for and on behalf of itself and the Lenders, shall execute and deliver (or cause to be executed and delivered) to the Pledgor all such proxies and other instruments as the Pledgor may reasonably request for the purpose of enabling the Pledgor to exercise the voting and other rights that it is entitled to exercise pursuant to subsection (a)(i) of this Section 4.
- (b) Upon the occurrence of and during the continuation of a Default or an Event of Default:
- (i) all rights of the Pledgor to exercise the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 4(a) shall cease immediately upon written notice given by the Agent to the Pledgor with respect to the exercise of such rights, and upon the giving of such notice all such rights shall thereupon become vested in the Agent, for and on behalf of itself and the Lenders, who shall thereupon have the sole right to exercise such voting and other consensual rights;
 - (ii) all rights of the Pledgor to receive the dividends or other distributions and principal or interest payments which it would otherwise be authorized to receive and retain pursuant to Section 4(a) shall cease, and all such rights shall thereupon become vested in the Agent, for and on behalf of itself and

the Lenders, who shall thereupon have the sole right to receive and hold as Pledged Collateral such dividends or other distributions and principal or interest payments;

- (iii) all dividends or other distributions and principal or interest payments which are received by the Pledgor contrary to the provisions of Section 4(a) shall be received in trust for the benefit of the Agent, for and on behalf of itself and the Lenders, shall be segregated from other property or funds of the Pledgor, and shall be forthwith paid over to the Lender as Pledged Collateral in the same form as so received (with any necessary endorsement); and
- (iv) the Agent, for and on behalf of itself and the Lenders, shall have the right at any time, and from time to time, to notify the issuers or obligors under any Pledged Collateral to make payments of all dividends, or other distributions, principal or interest payments or other amounts due or to become due to the Pledgor thereunder directly to the Agent and, upon such notification and at the expense of the Pledgor, to enforce collection thereof, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Pledgor might have done.

5. Delivery and Registration of Pledged Securities

- (a) The Pledgor shall, upon execution of this Pledge Agreement, deliver to the Agent, for and on behalf of itself and the Lenders, all of the certificates representing the Pledged Securities registered in the name of the Pledgor, endorsed in blank by the Pledgor, together with a transfer power in the form attached hereto as Schedule "A", duly executed in blank;
- (b) Regarding any and all Pledged Collateral that is a certificated security, an uncertificated security or a security entitlement, the Pledgor shall, or shall cause the issuer of such Pledged Collateral to, or shall cause the securities intermediary that holds such Pledged Collateral to, take all steps as are necessary to give exclusive control over such Pledged Collateral to the Agent, for and on behalf of itself and the Lenders, on terms and conditions satisfactory to the Agent;
- (c) At the request of the Agent after and during the continuance of a Default or an Event of Default, (i) the Pledgor shall cause any Pledged Collateral that is in a registered or registrable form to be registered or re-registered in the name of the Agent, and the Agent is hereby appointed the irrevocable attorney (coupled with an interest) of the Pledgor with full power of substitution to cause any or all of the Pledged Collateral to be registered in the name of the Agent or its nominee, (ii) the Pledgor shall cause such securities intermediary that holds any Pledged Collateral that is a security entitlement to record the Agent as the entitlement holder of such Pledged Collateral, and/or (iii) the Pledgor shall (A) cause a security certificate to be issued for any Pledged Collateral that is in the form of an uncertificated security or a security entitlement, (B) endorse such security certificate in blank, (C) deliver such security certificate to the Agent, for and on behalf of itself and the Lenders, and (D) take all other steps necessary to give exclusive control over such certificated security to the Agent, for and on behalf of itself and the Lenders.; and
- (d) To the extent the Pledgor acquires, by way of amalgamation or otherwise, any additional Pledged Securities at any time and from time to time, the Pledgor shall deliver to the Agent, for and on behalf of itself and the Lenders, additional Pledged Securities, accompanied by a written order of the Pledgor as owner thereof, identifying the additional Pledged Securities and stating that the same are to form part of the security hereunder. Any additional Pledged Securities delivered by the Pledgor to the Agent, for and on behalf of itself and the Lenders, under any

provisions of this Pledge Agreement shall become and be subject to the provisions of this Pledge Agreement.

6. Representations and Warranties

The Pledgor hereby represents and warrants to the Agent as follows:

- (a) **Pledged Securities:** the Pledged Securities have been duly authorized and are validly issued and are fully paid and non-assessable, and it is the registered, legal and beneficial owner of the Pledged Securities which are owned free and clear of any and all liens except for Permitted Liens and it has full right, power and authority to pledge and to create a security interest in and to each and every of the Pledged Securities;
- (b) **Pledged Securities:** the Pledged Stock is (i) all of the issued and outstanding shares, units and partnership interests in the capital stock of the Issuer owned by the Pledgor as of the date hereof, (ii) 100% of the issued and outstanding shares, units and partnership interests in the capital stock of the Issuer; and
- (c) **No Required Disposition:** no person has, nor during the term of this Pledge Agreement shall have, an agreement or option or any right or privilege capable of becoming an agreement or option to acquire any right or interest in the Pledged Collateral or any party thereof.

7. Covenants

The Pledgor hereby covenants and agrees with the Agent that:

- (a) any substituted Pledged Collateral shall be held by the Agent, for and on behalf of itself and the Lenders, subject to the same terms and conditions and with the same powers and authorities, as are hereby declared and conferred. The Agent, for and on behalf of itself and the Lenders, shall not be required to surrender any of the Pledged Collateral until all of the Obligations have been fully and finally paid and satisfied; and
- (b) the Agent, for and on behalf of itself and the Lenders, shall have the right to but shall not be bound nor required to exercise any option or right which the holder of any of the Pledged Collateral may at any time have, provided, however, if the Agent, for and on behalf of itself and the Lenders, chooses to exercise any such option any advance made for such purposes shall be added to the Obligations and all the provisions hereof shall apply thereto.

8. Continued Perfection of Security Interest

The Pledgor agrees that from time to time, at the expense of the Pledgor, the Pledgor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary, or that the Agent may reasonably request, in order to perfect and protect the pledge, hypothecation and security interest granted or purported to be granted hereby or to enable the Agent, for and on behalf of itself and the Lenders, to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral.

The Pledgor hereby further authorizes the Agent to file at the Pledgor's cost and expense one or more financing or financing change statements, and amendments thereto, relative to all or any part of the Pledged Collateral without the signature of the Agent where permitted by applicable law.

9. Events of Default and Remedies

- (a) During the period during which an Event of Default shall have occurred and be continuing:

- (i) the Agent, for and on behalf of itself and the Lenders, shall have all of the rights and remedies with respect to the Pledged Collateral of a secured party under the PPSA (whether or not said PPSA is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted;
 - (ii) the Agent, for and on behalf of itself and the Lenders, in its discretion may, in its name or in the name of the Pledgor or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Pledged Collateral;
 - (iii) the Agent, for and on behalf of itself and the Lenders, may, subject to applicable law, with respect to the Pledged Collateral or any part thereof that shall then be or shall thereafter come into the possession, custody or control of the Agent or any of its agents or assignees, sell, assign or otherwise dispose of all or any part of such Pledged Collateral, at such place or places as the Agent deems best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is required above or by applicable statute and cannot be waived), and the Agent, its assignees hereunder or anyone else may be the purchaser, assignee or recipient of any or all of the Pledged Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of the Pledgor, any such demand, notice and right or equity being hereby expressly waived and released. The Agent, for and on behalf of itself and the Lenders, may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned; and
 - (iv) the Agent, for and on behalf of itself and the Lenders, may directly or indirectly acquire or retain the Pledged Collateral as permitted by applicable law;
- (b) The records of the Agent as to the occurrence and continuation of a Default or an Event of Default shall be prima facie evidence of such Default or Event of Default;
 - (c) The Agent, for and on behalf of itself and the Lenders, shall not be bound under any circumstances to realize upon any Pledged Collateral or allow any Pledged Collateral to be sold, and shall not be responsible for any loss occasioned by any sale or by the retention of or refusal to sell Pledged Collateral; nor shall the Agent be obliged to collect or see to the payment of interest, distributions or dividends thereon;
 - (d) The proceeds of any sale or disposition of the Pledged Collateral by the Agent, for and on behalf of itself and the Lenders, may be applied upon such part of the Obligations, direct or indirect, as the Agent may see fit;
 - (e) After the occurrence and during the continuance of an Event of Default, the Agent, for and on behalf of itself and the Lenders, may transfer all or any of the Pledged Collateral and may fill in all blanks in any transfers of stocks or certificates or any power of attorney or other documents delivered to it, and the Agent, for and on behalf of itself and the Lenders, may delegate its powers and any subdelegate of

the powers hereby given may exercise the same in the name and on behalf of the Pledgor;

- (f) At the request of the Agent, the Pledgor will, at its own expense, execute all such transfers and documents as may be reasonably required, with all such powers of sale and other necessary powers as may be expedient for vesting in the Agent, for and on behalf of itself and the Lenders, or such person or nominee as it may appoint, all and every Pledged Collateral; and
- (g) All reasonable costs and charges incurred by the Agent, for and on behalf of itself and the Lenders, with reference to the Pledged Collateral or the realization thereof (including all reasonable legal costs on the basis as between a solicitor and his own client and court costs paid and also including expenses of taking possession of, protecting and realizing upon any property comprised in the Pledged Collateral as well as interest on all overdue amounts pursuant to the Loan Agreement) shall be added to the Obligations and shall be a first charge and security interest upon the monies received.

The Agent, or such person or nominee as it may appoint, may upon the occurrence of an Event of Default, give the Issuer notice (a "**Security Enforcement Notice**") that a demand has been made for payment or performance of the Obligations and that the Agent has commenced exercising its rights to realize on the Pledged Collateral under this Pledge Agreement to sell, assign, transfer or otherwise dispose of Pledged Collateral to another person (the "**Substitute Assignee**"). The Issuer agrees that if it receives a Security Enforcement Notice from the Agent, that the Agent or the Substitute Assignee (as applicable) shall succeed to all of the rights, title and interest (but not the obligation) of the Pledgor in exercising the rights of the Agent under the Pledge Agreement to make all demands, give all notices and take all actions and exercise all rights of the Pledgor.

The Pledgor recognizes that, by reason of certain prohibitions contained in applicable securities laws, the Agent may be compelled, with respect to any sale of all or any part of the Pledged Collateral, to limit purchasers to those who will agree, among other things, to acquire the Pledged Collateral for their own account, for investment and not with a view to the distribution or resale thereof. The Pledgor acknowledges that any such private sales may be at prices and on terms less favourable to the Agent and the Lenders than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Agent, for and on behalf of itself and the Lenders, shall have no obligation to engage in public sales and no obligation to delay the sale of any Pledged Collateral for any period of time.

10. Power of Attorney

The Pledgor hereby appoints the Agent as attorney of the Pledgor, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise, from time to time in the Agent's discretion to take any and all actions authorized to be taken by the Agent under this Pledge Agreement or by applicable law at any time after the occurrence and during the continuance of an Event of Default that the Agent, acting reasonably, may deem necessary or advisable to accomplish the purposes of this Pledge Agreement, including, without limitation, to ask for, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in connection with the Pledged Collateral, to receive, endorse, and collect any drafts or other instruments or documents in connection therewith, and to file any claims or take any action or institute any proceedings which the Agent may deem to be necessary or desirable for the collection thereof or to enforce compliance with the terms and conditions of this Pledge Agreement. Such appointment of the Agent as the Pledgor's attorney is coupled with an interest and is irrevocable. The power of attorney herein granted is in addition to, and not in substitution for, any powers of attorney in the form attached hereto as Schedule "A" delivered by the Pledgor with delivery of the Pledged Collateral and such powers of attorney in the form attached hereto as Schedule "A" may be relied upon by the Agent severally or in combination.

11. Remaining Liability

Notwithstanding anything herein contained to the contrary:

- (a) the Pledgor shall remain liable under any contracts and agreements included in or relating to the Pledged Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Pledge Agreement had not been executed;
- (b) the exercise by the Agent, for and on behalf of itself and the Lenders, of any of its rights hereunder shall not release the Pledgor from any of its duties or obligations under the contracts and agreements included in or related to the Pledged Collateral;
- (c) the Agent, for and on behalf of itself and the Lenders, shall not have any obligation or liability under the contracts and agreements included in or related to the Pledged Collateral by reason of this Pledge Agreement, nor shall the Agent be obligated to perform any of the obligations or duties of the Pledgor thereunder or to take an action to collect or enforce any claim for payment assigned thereunder; and
- (d) the recourse of the Agent, for and on behalf of itself and the Lenders, hereunder shall in all cases be limited to the Pledged Collateral.

12. Non-Merger

This Pledge Agreement shall not operate by way of merger of any of the Obligations, and no judgment recovered by the Agent, for and on behalf of itself and the Lenders, shall operate by way of merger of or in any way affect the security hereby constituted which is in addition to and not in substitution for and shall not in any way prejudice any other security now, heretofore or hereafter held by the Agent, for and on behalf of itself and the Lenders.

13. Exhaust Recourses

It is further agreed that the Agent, for and on behalf of itself and the Lenders, shall not be obliged to exhaust its recourses against the Pledgor or any other party or against any other security it may hold before realizing on or otherwise dealing with the Pledged Collateral. The Agent, for and on behalf of itself and the Lenders, may realize on the Pledged Collateral in such manner as it considers desirable, and it may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any and all existing Pledged Collateral up to, may abstain from taking securities from, or from perfecting securities of, may accept compositions from, and may otherwise deal with the Pledgor and the Pledged Collateral, as the Agent may see fit, without prejudice to the rights of the Agent, for and on behalf of itself and the Lenders, set out herein to hold, deal with and realize on the Pledged Collateral.

14. Degree of Care

The Agent, for and on behalf of itself and the Lenders, shall have the obligation to use reasonable care in the safe custody of the Pledged Collateral in its possession, but shall have no other obligations or duties with respect to the Pledged Collateral. Without limiting the generality of the foregoing, the Agent, for and on behalf of itself and the Lenders, shall be under no obligation to take any steps necessary to preserve rights in the Pledged Collateral against any other parties, or to keep the Pledged Collateral identifiable or to exercise any rights arising pursuant to the Pledged Collateral, but may do so at its option after becoming entitled to exercise the remedies referred to herein and all expenses incurred in connection therewith shall be for the sole account of the Pledgor and shall be added to the Pledgor's obligations hereunder. The Agent, for and on behalf of itself and the Lenders, shall not be liable for any loss or depreciation in the value of the Pledged Collateral.

15. Liability for Others

The Agent, for and on behalf of itself and the Lenders, shall not be responsible for or on account of any act or omission of any broker or similar agent employed by the Agent to purchase or sell any stocks, bonds, shares or securities for the account of the Pledgor. In no event shall the Agent be responsible for or warrant title to any securities dealt in for the Pledgor accounts.

16. Redelivery

When all of the Obligations have been satisfied to the Agent's satisfaction, the Agent will, at the request of the Pledgor, redeliver the Pledged Securities to the Pledgor.

17. Governing Laws

This Pledge Agreement shall be subject to the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall be construed and enforced in accordance with such laws. The Pledgor hereby accepts and irrevocably submits to the non-exclusive jurisdiction of the courts of Alberta and agrees to be bound by any judgment thereof, without prejudice to the rights of the Agent, for and on behalf of itself and the Lenders, to take proceedings in any other jurisdictions.

18. Binding Effect

This Pledge Agreement shall be binding upon the Pledgor and its successors and permitted assigns and shall enure to the benefit of the Agent, for and on behalf of itself and the Lenders, and their successors and assigns. The Pledgor shall not be permitted to assign any of its obligations hereunder without the prior written consent of the Agent. "Successors" shall include any corporation or company resulting from the amalgamation of one or more corporations or companies.

19. Amendments; Etc.

No amendment or waiver of any provision of this Pledge Agreement nor consent to any departure by the Pledgor therefrom shall in any event be effective unless the same shall be in writing and signed by the Pledgor and the Agent, and then such waiver or consent shall be effective only in the specific instance for the specific purpose for which given.

20. Addresses for Notices

- (a) All notices required or permitted hereunder shall be in writing and provided by delivery, telecopy, email or other similar form of telecommunication to the parties at the addresses as follows:

To the Pledgor:

Razor Energy Corp.
Suite 800, 500-5th Avenue SW
Calgary, Alberta T2P 3L5
Attention: Doug Bailey
Telecopier: _____
Email: dbailey@razor-energy.com

To the Agent:

405 Dolomite LLC
405 Lexington Avenue, 59th Floor,
New York, New York 10174
Attention: Greg White/Spencer Rolfe
Telecopier: _____
Email: gwhite@arenaco.com / srolfe@arenaco.com

- (b) Any notice, if personally delivered, shall be deemed to have been given and received on the day on which it was so delivered, and if not a Business Day then on the Business Day next following the day of delivery. Any notice, if sent by telecopier, email or other similar form of telecommunication, shall be deemed to have been given and received on the day it is sent provided such day is a Business Day and it is received prior to 5:00 p.m. (recipient's time), otherwise it shall be deemed to have been given and received on the next Business Day following the date it was sent, provided in all cases that the

sender receives a confirmation report from the sending machine indicating that the telecommunication was sent. Any party may at any time give notice in writing to the other party of any change of address of the party giving such notice and from and after giving such notice the address specified in such notice shall be deemed to be the address of such party for the giving of notices hereunder. Until such notice of change of address is received, notice sent to the last address stipulated as provided herein shall be deemed to be effective, notwithstanding a subsequent change of address.

21. Severability

Any provision hereof that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and without affecting the validity or enforceability of any provision in any other jurisdiction.

22. Paramountcy

- (a) The Agent agrees and acknowledges that this Pledge Agreement has been granted by the Pledgor to the Agent, for and on behalf of itself and the Lenders, pursuant to the Loan Agreement, and to the extent that any provisions of this Pledge Agreement conflict or are inconsistent with any of the provisions of the Loan Agreement, the Loan Agreement shall govern and prevail to resolve such conflict or inconsistency in any and all circumstances, such that the provisions of the Loan Agreement shall be paramount to and supersede the provisions of this Pledge Agreement.
- (b) Notwithstanding anything herein to the contrary, including paragraph (a) above, the exercise of any right or remedy by the Agent or any Lender hereunder are subject, in all respects to the terms of the AIMCo Subordination Agreement. In the event of any conflict or inconsistency between the provisions of this Pledge Agreement and the provisions of the AIMCo Subordination Agreement, then, notwithstanding anything contained in this Pledge Agreement, the provisions contained in the AIMCo Subordination Agreement shall prevail to the extent of such conflict or inconsistency and the provisions of this Pledge Agreement shall be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency.

23. Headings

The headings herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

24. Execution in Counterparts

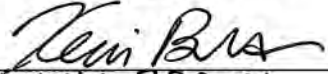
This Pledge Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. For the purposes of this Section 24, the delivery of a facsimile copy or pdf formatted copy of an executed counterpart of this Pledge Agreement shall be deemed to be valid execution and delivery of this Pledge Agreement, but the party delivering a facsimile copy or pdf formatted copy shall deliver an original copy of this Pledge Agreement as soon as possible after delivering the facsimile or pdf formatted copy.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the Pledgor has set its hand and seal as of the day and year first above written.

RAZOR ENERGY CORP.

Per: 
Name: **Doug Bailey**
Title: **President & CEO**

Per: 
Name: **KEVIN BRAUN**
Title: **CFO**

405 DOLOMITE LLC

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

IN WITNESS WHEREOF the Pledgor has set its hand and seal as of the day and year first above written.

RAZOR ENERGY CORP.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

405 DOLOMITE LLC

DocuSigned by:
Lawrence Cutler
Per: _____
Name: Lawrence Cutler
Title:

Per: _____
Name:
Title:

ACKNOWLEDGEMENT AND CONSENT

The undersigned issuer of the Pledged Collateral referred to in the foregoing Pledge Agreement hereby (i) acknowledges receipt of a copy thereof, and agrees to be bound thereby and to comply with the terms thereof insofar as such terms are applicable to it, (ii) agrees to register the pledge of the Pledged Collateral and to take all further action as may be required under the law of the undersigned's organization to effect or perfect such pledge and (iii) acknowledges that no transfer or pledge of such Pledged Collateral or the voting or other rights relating thereto has been made on the register of the undersigned, except in the name of the Agent. The undersigned agrees to notify the Agent promptly in writing of the occurrence of any of the events described in Section 4(a)(ii) of the foregoing Pledge Agreement. The undersigned further agrees that the terms of Section 10 of the foregoing Pledge Agreement shall apply to it, in all material respects, with respect to all actions that may be required of it under or pursuant to or arising out of Section 10 of the foregoing Pledge Agreement.

RAZOR HOLDINGS GP CORP.

Per: 
Name: **Doug Bailey**
Title: **President & CEO**

Per: 
Name: **KEVIN BRAUN**
Title: **CFO**

SCHEDULE "A"
POWER OF ATTORNEY

Description of Securities:

100 Common Shares (the "**Securities**") in the capital of **Razor Holdings GP Corp.**, a corporation incorporated under the laws of Alberta (the "**Issuer**") represented by certificate no.: C-1.

FOR VALUE RECEIVED, the undersigned hereby pursuant to the Pledge Agreement dated February _____, 2021 as amended, supplemented, modified, restated or replaced from time to time:

1. sells, assigns and transfers unto _____ the aforementioned Shares standing in the name of the undersigned on the books of the Issuer; and
2. irrevocably constitutes and appoints _____ the Attorney(s) of the undersigned to complete the foregoing transfer and/or any transfer on the transfer panel of the respective share certificates representing such Securities and to transfer the said Securities on the books of the Issuer, with full power of substitution in the premises.

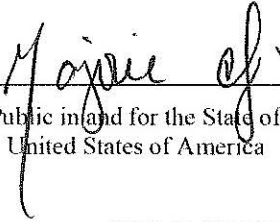
DATED effective this ____ day of _____, 202__.

RAZOR ENERGY CORP.

Per: _____

Authorized Signatory

This is Exhibit "M"
Referred to in the Affidavit of
GREGORY WHITE
Sworn before me this 5th day
of November, 2024



Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

**NOTICE OF DEFAULT
AND RESERVATION OF RIGHTS**

TO: Razor Royalties Limited Partnership, by its general Partner, Razor Holdings GP Corp (“**Razor**”)

RE: Amended and restated term loan agreement dated as of March 9, 2022 (as amended and supplemented, restated or replaced, from time to time, the "**Credit Agreement**"), among, *inter alios*, Razor and Swan Hills Geothermal Power Corp. (“**SHGPC**”, and SHGPC together with Razor, the “**Borrowers**”), as borrowers, Razor Energy Corp. (“**REC**”), as parent guarantor, and SHGPC, as guarantor (SHGPC, together with REC, the “**Guarantors**”, and the Guarantors collectively with the Borrowers, the “**Loan Parties**”), 405 Dolomite LLC and Arena Limited SPV, LLC (together, the “**Lenders**”), as lenders and 405 Dolomite LLC, as agent for the Lenders (in such capacity, the "**Agent**")

DATE: March 2, 2023

1. Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.
2. The Agent and the Lenders hereby confirms that an event of default has occurred and is continuing under Section 5.26 of the Credit Agreement, in that the Loan Parties have failed to maintain monthly net sales volume of Hydrocarbons from its Oil & Gas Properties of at least the amounts as prescribed in Schedule 5.26 as attached to the Credit Agreement, and failed to deliver Razor’s weekly production reports for the calendar months of November and December, 2022 and January and February, 2023 (collectively, the "**Specified Default**").
3. The Agent and the Lenders shall not be deemed to have waived the Specified Default, or any other default or event of default that has now or may in the future occur in respect of the Credit Agreement or any of the Security Documents. No failure or delay on the part of the Agent or the Lenders in exercising any right, remedy, option, power or privilege under the Credit Agreement, under any Security Document or under applicable law, and no course of dealing between the Agent and Lenders, on the one hand, and the Loan Parties, on the other hand, shall operate as a waiver of or amendment to any such right, remedy, option, power or privilege, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof. The Agent and Lenders hereby retains and reserves all of its rights, remedies, powers and privileges under the Credit Agreement, under any of the Security Documents and under applicable law.
4. As a condition to the Agent and the Lenders’ willingness to continue any discussions or negotiations with the Loan Parties, or any of them, concerning the Specified Default or any other matters relating to the Credit Agreement, it is understood as between the parties to the Commitment Letter that:
 - (a) any such discussions or negotiations with the Loan Parties, or any of them, will not toll any cure period, notice period, or other applicable period relating to the Agent and the Lenders’ rights and remedies under the Credit Agreement;
 - (b) the Agent and Lenders shall not be bound by any oral agreement, and no rights or liabilities, either express or implied, shall arise on the part of the Agent or the Lenders on account of any oral agreement or understanding, until and unless the agreement on any given issue

has been reduced to a definitive written agreement signed and approved by the Loan Parties, the Agent and the Lenders;

- (c) by entering into such negotiations and discussions with the Agent and the Lenders, the Loan Parties agree that all such discussions and negotiations are confidential and in the nature of settlement discussions and shall not be admissible in evidence, and do not constitute admissions, for any purpose; and
 - (d) the Loan Parties acknowledge and agree that all reasonable expenses incurred by the Agent and the Lenders with respect to the Specified Default (including legal fees and disbursements on a solicitor and his own client basis) shall be for the account of the Loan Parties.
5. The Borrowers hereby acknowledge that the outstanding principal amount under the Facilities as of January 31, 2023 is USD\$20,130,967.24.
 6. The Loan Parties hereby confirms and agrees that it has no claims, suits, causes of action or rights of set off against the Agent or the Lenders.

[Remainder of Page Intentionally Left Blank]

DATED as of the date first above written.

405 DOLOMITE LLC, as Agent

By: DocuSigned by:
Lawrence Cutler
Name: Lawrence Cutler
Title: Authorized Signatory

405 DOLOMITE LLC, as Lender

By: DocuSigned by:
Lawrence Cutler
Name: Lawrence Cutler
Title: Authorized Signatory

ARENA LIMITED SPV, LLC, as Lender

By: DocuSigned by:
Lawrence Cutler
Name: Lawrence Cutler
Title: Authorized Signatory

Agreed and Accepted by:

Dated:

**RAZOR ROYALTIES LIMITED
PARTNERSHIP, by its general partner,
RAZOR HOLDINGS GP CORP., as Borrower**

By: _____
Name:
Title:

By: _____
Name:
Title:

RAZOR ENERGY CORP., as Guarantor

Dated:

By: _____
Name:
Title:

By: _____
Name:
Title:

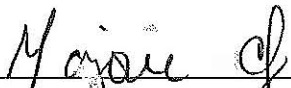
**SWAN HILLS GEOTHERMAL POWER
CORP., as Borrower and Guarantor**

Dated:

By: _____
Name:
Title:

By: _____
Name:
Title:

This is Exhibit "N"
Referred to in the Affidavit of
GREGORY WHITE
Sworn before me this 5th day
of November, 2024



Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

**NOTICE OF DEFAULT
AND RESERVATION OF RIGHTS**

TO: Razor Royalties Limited Partnership, by its general partner, Razor Holdings GP Corp. and Swan Hills Geothermal Power Corp. (collectively, the “**Borrowers**”) and each of the guarantors of the Borrowers referred to herein

RE: Second amended and restated term loan agreement dated as of June 16, 2023 (the “**Loan Agreement**”) between the Borrowers, as borrowers, and 405 Dolomite LLC, as lender, and Arena Limited SPV, LLC, as term loan 3 lender (collectively, the “**Lender**”), and 405 Dolomite LLC, as agent (the “**Agent**”).

DATE: August 31, 2023

1. Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Loan Agreement.
2. The Agent hereby confirms that the Borrowers are in breach of the obligation under Section 2.17 of the Loan Agreement, in that the Borrowers have failed to deliver to the Agent by July 31, 2023 the Deposit Account Control Agreement (the “**Specified Default**”).
3. The Agent shall not be deemed to have waived the Specified Default, or any other default or event of default that has now or may in the future occur in respect of the Loan Agreement or any of the Security Documents. No failure or delay on the part of the Agent in exercising any right, remedy, option, power or privilege under the Loan Agreement, under any Security Document or under applicable law, and no course of dealing between the Agent, on the one hand, and the Borrowers, on the other hand, shall operate as a waiver of or amendment to any such right, remedy, option, power or privilege, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof. The Agent hereby retains and reserves all of its rights, remedies, powers and privileges under the Loan Agreement, under any of the Security Documents and under applicable law.
4. As a condition to the Agent’s willingness to continue any discussions or negotiations with the Borrowers concerning the Specified Default or any other matters relating to the Loan Agreement, it is understood as between the parties to the Loan Agreement that:
 - (a) any such discussions or negotiations with the Borrowers will not toll any cure period, notice period, or other applicable period relating to the Agent’s rights and remedies under the Loan Agreement;
 - (b) the Agent shall not be bound by any oral agreement, and no rights or liabilities, either express or implied, shall arise on the part of the Agent on account of any oral agreement or understanding, until and unless the agreement on any given issue has been reduced to a definitive written agreement signed and approved by the Borrowers and the Agent;
 - (c) by entering into such negotiations and discussions with the Agent, the Borrowers agree that all such discussions and negotiations are confidential and in the nature of settlement discussions and shall not be admissible in evidence, and do not constitute admissions, for any purpose; and
 - (d) the Borrowers acknowledge and agree that all reasonable expenses incurred by the Agent with respect to the Specified Default (including legal fees and disbursements on a solicitor and his own client basis) shall be for the account of the Borrowers.

5. The Borrowers hereby confirm and agree that each has no claims, suits, causes of action or rights of set off against the Agent or the Lender.

[Remainder of Page Intentionally Left Blank]

DATED as of the date first above written.

405 DOLOMITE LLC, as Agent

DocuSigned by:
Lawrence Cutler

By: Name: Lawrence Cutler
Title: Authorized Signatory

405 DOLOMITE LLC, as Lender

DocuSigned by:
Lawrence Cutler

By: Name: Lawrence Cutler
Title: Authorized Signatory

ARENA LIMITED SPV, LLC, as Lender

DocuSigned by:
Lawrence Cutler

By: Name: Lawrence Cutler
Title: Authorized Signatory

Agreed and Accepted by:

**RAZOR ROYALTIES LIMITED
PARTNERSHIP, by its general partner,
RAZOR HOLDINGS GP CORP., as Borrower**

**SWAN HILLS GEOTHERMAL POWER
CORP., as Borrower and Guarantor**

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name:
Title:

Date: _____

Date: _____

[signatures continued on next page]

[signatures continued from previous page]

Agreed and Accepted by:

**RAZOR ENERGY CORP., as Parent
Guarantor**

By: _____

Name:

Title:

By: _____

Name:

Title:

Date: _____

This is Exhibit "O"
Referred to in the Affidavit of
GREGORY WHITE
Sworn before me this 5th day
of November, 2024

Marjorie Chavez

Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

**NOTICE OF DEFAULT
AND RESERVATION OF RIGHTS**

TO: Razor Royalties Limited Partnership, by its general partner, Razor Holdings GP Corp. and Swan Hills Geothermal Power Corp. (collectively, the "**Borrowers**") and each of the guarantors of the Borrowers referred to herein

RE: Second amended and restated term loan agreement dated as of June 16, 2023 (the "**Loan Agreement**") between the Borrowers, as borrowers, and 405 Dolomite LLC, as lender, and Arena Limited SPV, LLC, as term loan 3 lender (collectively, the "**Lender**"), and 405 Dolomite LLC, as agent (the "**Agent**").

DATE: October 16, 2023

1. Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Loan Agreement.
2. The Agent hereby confirms that an event of default has occurred and is continuing under Section 5.26 of the Loan Agreement, in that the Loan Parties have failed to maintain monthly net sales volume of Hydrocarbons from its Oil & Gas Properties of at least the amounts as prescribed in Schedule 5.26, as attached to the Loan Agreement, for the calendar month of September, 2023 (the "**Specified Default**").
3. The Agent shall not be deemed to have waived the Specified Default, or any other default or event of default that has now or may in the future occur in respect of the Loan Agreement or any of the Security Documents. No failure or delay on the part of the Agent in exercising any right, remedy, option, power or privilege under the Loan Agreement, under any Security Document or under applicable law, and no course of dealing between the Agent, on the one hand, and the Borrowers, on the other hand, shall operate as a waiver of or amendment to any such right, remedy, option, power or privilege, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof. The Agent hereby retains and reserves all of its rights, remedies, powers and privileges under the Loan Agreement, under any of the Security Documents and under applicable law.
4. As a condition to the Agent's willingness to continue any discussions or negotiations with the Borrowers concerning the Specified Default or any other matters relating to the Loan Agreement, it is understood as between the parties to the Loan Agreement that:
 - (a) any such discussions or negotiations with the Borrowers will not toll any cure period, notice period, or other applicable period relating to the Agent's rights and remedies under the Loan Agreement;
 - (b) the Agent shall not be bound by any oral agreement, and no rights or liabilities, either express or implied, shall arise on the part of the Agent on account of any oral agreement or understanding, until and unless the agreement on any given issue has been reduced to a definitive written agreement signed and approved by the Borrowers and the Agent;
 - (c) by entering into such negotiations and discussions with the Agent, the Borrowers agree that all such discussions and negotiations are confidential and in the nature of settlement discussions and shall not be admissible in evidence, and do not constitute admissions, for any purpose; and

- (d) the Borrowers acknowledge and agree that all reasonable expenses incurred by the Agent with respect to the Specified Default (including legal fees and disbursements on a solicitor and his own client basis) shall be for the account of the Borrowers.
5. The Borrowers hereby acknowledge that the outstanding principal amount under the Facilities as of October 16, 2023 is USD\$ 14,487,769.01.
6. The Borrowers hereby confirm and agree that each has no claims, suits, causes of action or rights of set off against the Agent or the Lender.

[Remainder of Page Intentionally Left Blank]

DATED as of the date first above written.

405 DOLOMITE LLC, as Agent

DocuSigned by:
Lawrence Cutler
D8D0583BF2A04FD

By: _____

Name: Lawrence Cutler

Title: Authorized Signatory

Agreed and Accepted by:

**RAZOR ROYALTIES LIMITED
PARTNERSHIP, by its general partner,
RAZOR HOLDINGS GP CORP., as Borrower**

**SWAN HILLS GEOTHERMAL POWER
CORP., as Borrower and Guarantor**

By: _____

Name:
Title:

By: _____

Name:
Title:

By: _____

Name:
Title:

By: _____

Name:
Title:

Date: _____

Date: _____

[signatures continued on next page]

[signatures continued from previous page]

Agreed and Accepted by:

**RAZOR ENERGY CORP., as Parent
Guarantor**

By: _____

Name:
Title:

By: _____

Name:
Title:

Date: _____

This is Exhibit "P"
Referred to in the Affidavit of
GREGORY WHITE
Sworn before me this 5th day
of November, 2024

Marjorie Chavez

Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025



Solidarity
Holdings Inc.

March 28, 2024

Solidarity Holdings Inc.
Unit 114, 7710 5 St SE
Calgary, Alberta T2H 2L9

Razor Energy Corp.
c/o Peter & Co. Limited
Attention: Thomas Schenk / Darren Juss / Franklin Eldridge
2300 Jamieson Place
308-4th Avenue SW
Calgary AB T2P 0H7

Subject: Letter of Intent for the Purchase of Razor Energy Corp.

We, Solidarity Holdings, hereby express our intent to purchase Razor Energy Corp. under the following terms and conditions.

Intent:

This Letter of Intent is a non-binding expression of our intention to proceed with the purchase of all issued and outstanding shares of Razor Energy Corp., subject to the satisfactory completion of due diligence and the negotiation and execution of a mutually acceptable subscription agreement.

- i. **Assets to be Acquired:** The transaction shall be on an, as is, where is, basis, for all issued and outstanding shares of Razor Energy Corp. (the “**Shares**”) which will encompassing all assets and liabilities of Razor Energy Corp., other than those set out in Schedule “**A**” hereto.
- ii. **Acquiring Entity:** Solidarity Holdings Inc is privately owner Company Incorporated Under Alberta Law.
- iii. **Purchase Price:** Solidarity Holdings is Offering CAD \$13,350,000 for the purchase of the Shares.
- iv. **Effective Date:** April 1st, 2024
- v. **Timing and Closing:** we suggest a closing date of June 1, 2024 (Negotiable). This time will be used to conduct further due diligence, Secure Capital, and Finalize Approvals and satisfy Conditions.
- vi. **Financing:** Solidarity Holdings possesses required cash on hand to fund the transaction and is not subject to financing.

- vii. **Additional Due Diligence:** Due to the size and amount of document submitted we would need time for further Due diligence and to conduct an environmental Assessment.
- viii. **License Transfer:** As of this Date Solidarity Holdings Inc DOES NOT have the Eligibility to Acquire and Hold Energy Licences and Approvals Under Directive 067 of the AER. Nevertheless, we are actively pursuing and have applied to become Eligible (Pending AER Approval).
- ix. **Conditions:** Any subscription agreement and corresponding transaction(s) will incorporate all conditions customary in proceedings under the *Companies' Creditors Arrangement Act*, including, among others, that any such agreement(s)/transaction(s) will at all times be subject to and conditional upon receiving all necessary Court and regulatory approvals.
- x. **Break Fee:** There shall be NO fee or reimbursement cost of any kind in the case of a break or termination.
- xi. **Acceptance Time:** this proposal is open for acceptance through 4:00 pm MST, Friday April 5th, 2024.

We look forward to further discussions and the opportunity to proceed with this transaction. Please acknowledge your understanding to the terms outlined herein by signing and returning a copy of this non-binding Letter of Intent.

Sincerely,

Mohammed Al-Attereh
Managing Director
Solidarity Holdings Inc



Mohammed Al-Attereh, Managing Director

Acknowledged and agreed this 4th day of April 2024

Acknowledged by Razor Energy Corp.

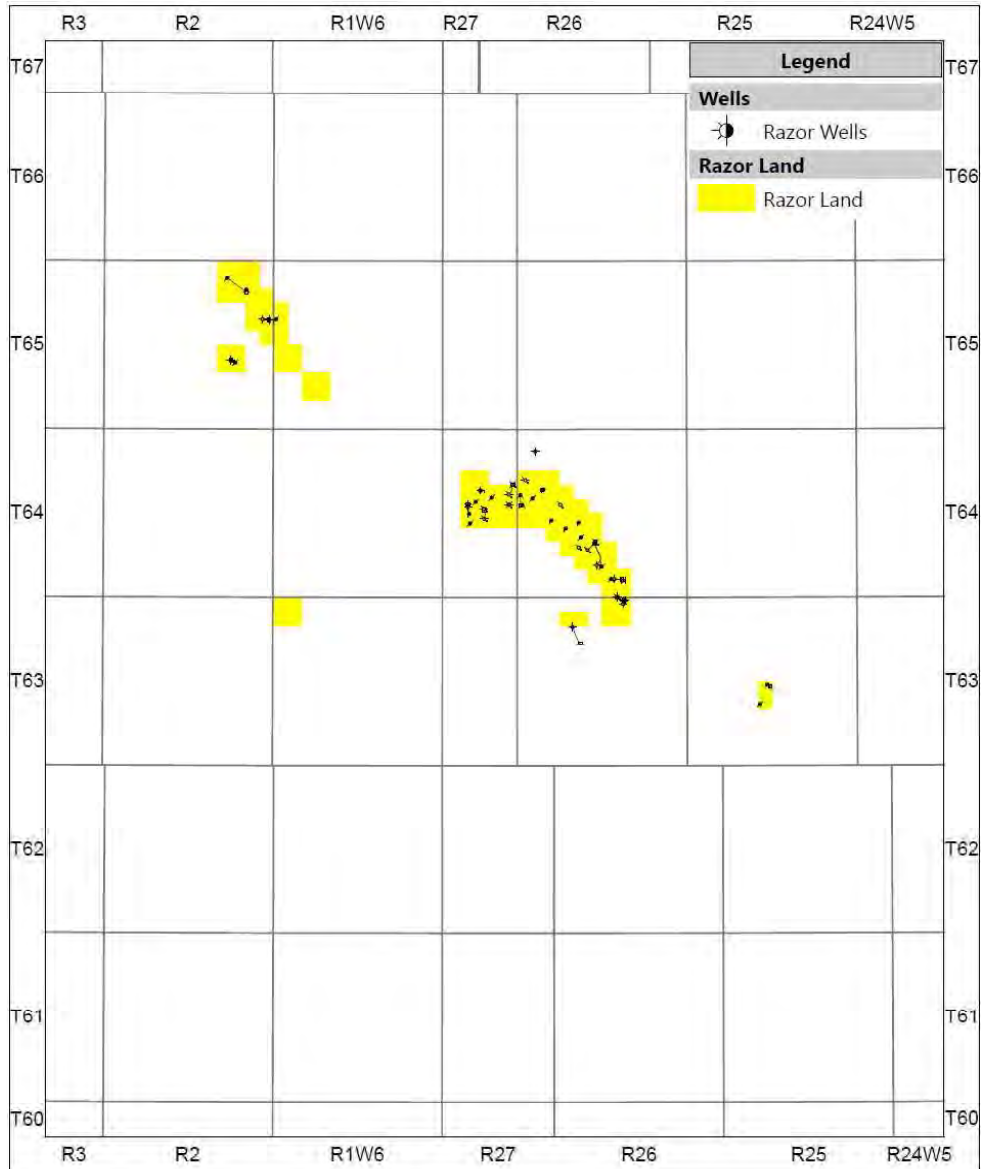


Doug Bailey, CEO

SCHEDULE "A"
EXCLUDED ASSETS AND LIABILITIES OF RAZOR ENERGY CORP.

Excluded Assets:

- All equity interests held in Blade Energy Services Corp.
- All equity interests held in FutEra Power Corp.
- All wells, facilities, pipelines, rights, interests, equipment, and mineral titles associated with or as described or identified below:



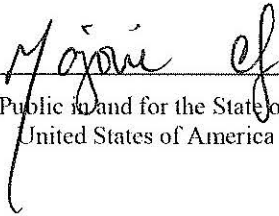
Asset Package	Property	CPA Pretty Well ID	Lic/WA/WID/Permit #
Kaybob Non-Op	Simonette & Karr	100/02-16-063-25W5/00	0091669
Kaybob Non-Op	Simonette & Karr	100/16-16-063-25W5/00	0122571
Kaybob Non-Op	Simonette & Karr	100/16-29-063-26W5/00	0209841
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Kaybob Non-Op	Simonette & Karr	102/02-03-064-26W5/02	0179870
Kaybob Non-Op	Simonette & Karr	102/02-03-064-26W5/03	0179870
Kaybob Non-Op	Simonette & Karr	100/09-03-064-26W5/00	0195546
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Kaybob Non-Op	Simonette & Karr	100/06-35-065-02W6/00	0282764

Excluded Liabilities:

- All debts, liabilities, claims, encumbrances, and obligations, other than those specifically assumed or otherwise permitted under any executed subscription agreement. For clarity, among others, all abandonment and reclamation obligations and liabilities of Razor Energy Corp., will be assumed.

This is Exhibit "Q"
Referred to in the Affidavit of
GREGORY WHITE
Sworn before me this 5th day
of November, 2024



Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

From: Jessica Cameron
Sent: May-01-24 11:09 AM
To: MPittman@blg.com
Cc: Andrew Burt; David Kim
Subject: ITMO Razor Energy - Arena Investors LP Debt Assumption [FMD-CANADA.FID13045718]

Hi Miles,

I hope you're doing well. I understand from Sean Collins that you are acting for Solidarity in regards to their proposed transaction with Razor Energy Corp. We are on for Arena Investors LP, the first secured creditor and party whose debt is proposed to be assumed by your client as part of the transaction. I was hoping we could arrange a call between ourselves and our respective clients to discuss the proposed terms of the assumption and next steps in papering this aspect of the transaction. On our side we have collective availability this week Friday morning between 8-10 am (MST). If you could let me know if that works for yourself and your client I'd appreciate it. Would be great to get the ball rolling on this as I understand that the target closing date is the end of this month (unless that has changed).

Look forward to working with you on this.

Best,
Jess

Jessica Cameron (She/Her)
Partner

T +1 403 261 9468 | jcameron@fasken.com
Fasken Martineau DuMoulin LLP

This is Exhibit "R"
Referred to in the Affidavit of
GREGORY WHITE
Sworn before me this 5th day
of November, 2024

Marjorie Chavez

Notary Public for and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

From: David Kim
Sent: May-03-24 4:09 PM
To: Barr, Kevin; Yeo, Colin; Pittman, Miles
Cc: Andrew Burt; Scott Sangster
Subject: Razor - Solidarity - Arena Closing Books

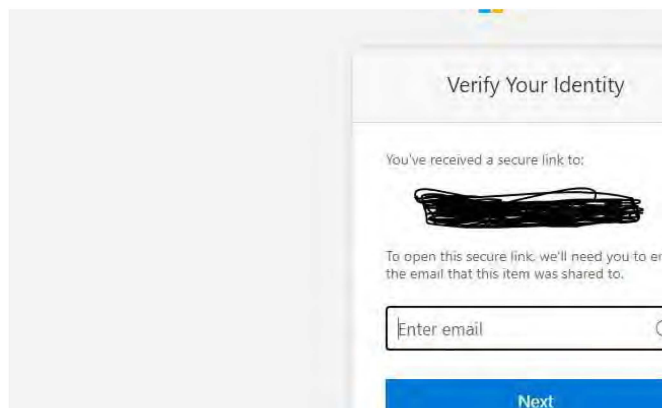
Colin,

Hope you are well. Please see below for link to Arena/Razor Closing Books and instructions in accessing the same. The rest of the BLG should have access as well.

Let us know if any issues or questions/comments. Have a nice weekend.

Kindly,

Once you open the link below, click "Download" on the upper left-hand corner of the menu on the main zip folder to access documents. If you are prompted to verify your identity, please insert your email address:



Upon entering your email address, you will receive via email an access code to be entered for access to OneDrive (if this email is not received, please check your junk/spam folder). If you intend to share the OneDrive link within your office, you will (i) provide your email address for them to enter and receive another access code or (ii) contact our office to resend a OneDrive link for their use.

Here's a OneDrive link:

 [Arena Razor Closing Books](#)

David Kim (He/Him)
Associate

T +1 587 233 4102 | dkim@fasken.com
Fasken Martineau DuMoulin LLP

From: Yeo, Colin <CYeo@blg.com>

Sent: Thursday, May 2, 2024 10:03 AM

To: Scott Sangster <ssangster@fasken.com>

Cc: David Kim <dkim@fasken.com>; Andrew Burt <aburt@fasken.com>; Pittman, Miles <MPittman@blg.com>; Barr, Kevin <KBarr@blg.com>

Subject: [EXT] Razor - Solidarity

{CAUTION: This email originated from outside of Fasken. Exercise care before clicking links or opening attachments.}

Hi Scott, hope all is well. If there is a record book on the Arena deal, I think it would make the most sense for you to send it over to us. Otherwise, if there is no record book, I think we'll need to see a copy of all the loan and security documents being assumed. Thank you.

Colin

Colin Yeo

Partner

T 403.232.9571 | CYeo@blg.com

Centennial Place, East Tower, 1900, 520 – 3rd Ave. SW, Calgary, AB, Canada T2P 0R3

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Borden Ladner Gervais LLP

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This is Exhibit "S"
Referred to in the Affidavit of
GREGORY WHITE
Sworn before me this 5th day
of November, 2024

Marjorie Chavez

Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

From: Jessica Cameron
Sent: May-21-24 11:03 AM
To: Kyriakakis, Pantelis; Hynne, Katie
Cc: Collins, Sean F.; Stewart, Nathan; deryck.helkaa@fticonsulting.com; Olver, Dustin; brett.wilson@fticonsulting.com; Browning, Cameron; Bourassa, Kelly; Keliher, Christopher; 'MacKinnon, Jessica'; Scott Sangster
Subject: Re: [EXT] ITMO the Plan of Compromise or Arrangement of Razor Energy Corp., Razor Holdings GP Corp., and Blade Energy Services Corp. [Court File No. 2401-02680] [FMD-CANADA.FID12888438]

Thank you Pantelis. On that basis, I can confirm that Arena is agreeable to the requested confidentiality undertaking and intends to attend the stakeholder meeting tomorrow morning. If you could please forward me the virtual log in details that would be appreciated. Also, please let me know if I am in turn able to forward on our side to our client, or if you need a list of contact details.

Best,

Jessica Cameron (She/Her)

Partner

T +1 403 261 9468

jjcameron@fasken.com | www.fasken.com/en/Jessica-Cameron

Fasken Martineau DuMoulin LLP

350 7th Avenue SW, Suite 3400, Calgary, Alberta T2P 3N9

From: Kyriakakis, Pantelis <pkiriakakis@mccarthy.ca>
Sent: Tuesday, May 21, 2024 9:53:02 AM
To: Jessica Cameron <jcameron@fasken.com>; Hynne, Katie <khynne@mccarthy.ca>
Cc: Collins, Sean F. <scollins@MCCARTHY.CA>; Stewart, Nathan <nstewart@mccarthy.ca>; deryck.helkaa@fticonsulting.com <deryck.helkaa@fticonsulting.com>; Olver, Dustin <dustin.olver@fticonsulting.com>; brett.wilson@fticonsulting.com <brett.wilson@fticonsulting.com>; Browning, Cameron <Cameron.Browning@fticonsulting.com>; Bourassa, Kelly <kelly.bourassa@blakes.com>; Keliher, Christopher <christopher.keliher@blakes.com>; 'MacKinnon, Jessica' <jessica.mackinnon@blakes.com>; Scott Sangster <ssangster@fasken.com>
Subject: RE: [EXT] ITMO the Plan of Compromise or Arrangement of Razor Energy Corp., Razor Holdings GP Corp., and Blade Energy Services Corp. [Court File No. 2401-02680] [FMD-CANADA.FID12888438]

{CAUTION: This email originated from outside of Fasken. Exercise care before clicking links or opening attachments.}

Hi Jessica,

I can confirm that the highlighted portion is not intended to apply to any assumption of Arena's debt, under the proposed transactions.

Cheers,
Pantelis Kyriakakis

Bankruptcy & Restructuring
C: (403) 479-5484
E: psyriakakis@mccarthy.ca

From: Jessica Cameron <jcameron@fasken.com>
Sent: Friday, May 17, 2024 12:41 PM
To: Hynne, Katie <khynne@mccarthy.ca>
Cc: Collins, Sean F. <scollins@MCCARTHY.CA>; Kyriakakis, Pantelis <psyriakakis@mccarthy.ca>; Stewart, Nathan <nstewart@mccarthy.ca>; deryck.helkaa@fticonsulting.com; Olver, Dustin <dustin.olver@fticonsulting.com>; brett.wilson@fticonsulting.com; Browning, Cameron <Cameron.Browning@fticonsulting.com>; Bourassa, Kelly <kelly.bourassa@blakes.com>; Keliher, Christopher <christopher.keliher@blakes.com>; 'MacKinnon, Jessica' <jessica.mackinnon@blakes.com>; Scott Sangster <ssangster@fasken.com>
Subject: RE: [EXT] ITMO the Plan of Compromise or Arrangement of Razor Energy Corp., Razor Holdings GP Corp., and Blade Energy Services Corp. [Court File No. 2401-02680] [FMD-CANADA.FID12888438]

Hi All,

Further to the below and meeting scheduled for interested stakeholders next week, I am still waiting instructions on this but do not foresee any issues with the requested confidentiality provisions, subject to one caveat. Namely, that the highlighted portion of the confidentiality undertaking would not apply to any roll over of Arena's existing debt as part of a transaction. Subject to receiving that confirmation/clarification, I expect we will be in a position to agree to this. Happy to discuss if you have any questions or concerns.

Best,

Jessica Cameron (She/Her)
Partner

T +1 403 261 9468 | jcameron@fasken.com
Fasken Martineau DuMoulin LLP

From: Hynne, Katie <khynne@mccarthy.ca>
Sent: Thursday, May 16, 2024 8:03 AM
Cc: Collins, Sean F. <scollins@MCCARTHY.CA>; Kyriakakis, Pantelis <psyriakakis@mccarthy.ca>; Stewart, Nathan <nstewart@mccarthy.ca>; deryck.helkaa@fticonsulting.com; Olver, Dustin <dustin.olver@fticonsulting.com>; brett.wilson@fticonsulting.com; Browning, Cameron <Cameron.Browning@fticonsulting.com>; Bourassa, Kelly <kelly.bourassa@blakes.com>; Keliher, Christopher <christopher.keliher@blakes.com>; 'MacKinnon, Jessica' <jessica.mackinnon@blakes.com>
Subject: [EXT] ITMO the Plan of Compromise or Arrangement of Razor Energy Corp., Razor Holdings GP Corp., and Blade Energy Services Corp. [Court File No. 2401-02680]

{CAUTION: This email originated from outside of Fasken. Exercise care before clicking links or opening attachments.}

We are counsel to Razor Energy Corp., Razor Holdings GP Corp., and Blade Energy Services Corp. (collectively, the "Applicants"), in the above-captioned proceedings. Please be advised that the Applicants intend to hold a virtual presentation for key affected stakeholders, with a material interest in the outcome of the Applicants' restructuring, next Wednesday, May 22, 2024, at 10:00 a.m. (the "Virtual Meeting"), wherein:

- i. Peters & Co. Ltd. (the “**Sales Advisor**”), will present the results of the Applicants’ court approved sale and investment solicitation process; and,
- ii. FTI Consulting Canada Inc., in its capacity as the Applicants’ court- appointed monitor (the “**Monitor**”) and the Applicants, will outline and provide details concerning: (a) anticipated potential sale proceeds (in the event of a successful restructuring); and (b) a preliminary proposed potential allocation, treatment, and distribution, with respect to the various claims of creditors, counterparties, and stakeholders.

As the Virtual Meeting will involve discussions and disclosure of sensitive and confidential information, related to the Applicants’ sales and investment solicitation process (the “**SISP**”) and the various bids and offers received, any interested participants (each a “**Participant**”) are required to acknowledge and agree to confidentiality conditions, in order to attend the Virtual Meeting. Specifically, we kindly request that each Participant agree and acknowledge, by way of a reply email cc’ing counsel to the Applicants and the Monitor, to the following:

1. The Participant will keep all information that is provided by the Applicants, the Sales Advisor, or the Monitor, to the Participant, during or in connection with the Virtual Meeting, whether provided before or after the date of this email, whether oral or written, regardless of the manner in which such information is provided and, including, without limitation, all information, analyses, compilations, evaluations, estimates, forecasts, interpretations, or other documents prepared or presented by the Monitor, the Sales Advisor, the Applicants, or any persons acting on their behalf, including, but not limited to, in connection with: (i) any and all of the Applicants present or after acquired property, assets, or undertakings; (ii) the results of the SISP and any offers, bids, or expressions of interests received in connection with or as a result of the SISP; or (iii) any distributions or allocations (both actual and estimated) to the various creditors and stakeholders of the Applicants (collectively, the “**Confidential Information**”), strictly confidential; except as otherwise contemplated below.
2. The Participant may disclose the Confidential Information to the Participant’s officers, directors, employees, legal and other professional advisors, (collectively referred to as, the “**Representatives**”) who the Participant determines require the Confidential Information for the purposes of evaluating the Participant’s legal position, rights, or remedies, in connection with the Applicants’ CCAA proceedings. Prior to disclosing the Confidential Information to any Representatives, the Participant shall issue appropriate instructions to such Representatives to satisfy the Participant’s obligations herein and obtain such Representatives’ agreement to receive and use the Confidential Information on a confidential basis on the same terms and conditions as contained herein. The Participant shall be liable and responsible for any breach of any term or condition of this Confidentiality Agreement by any of the Representatives.
3. If the Participant determines that any or all of the Confidential Information should be filed in the Applicant’s CCAA proceedings, the Participant shall: (i) inform both the Applicants and the Monitor of its intention to do so; (ii) work with the Applicants and the Monitor to ensure that such Confidential Information is presented in a confidential manner, which will not prejudice the Applicants’ CCAA proceedings, the Applicants, or the Applicants’ creditors and stakeholders; and, (iii) only file such Confidential Information on the basis that the Participant filing such information also contemporaneously seeks a Sealing Order or other Order, as is agreed to by the Applicants, the Participant, and the Monitor, all acting reasonably.
4. The Confidential Information does not constitute any representation, warranty or guarantee with respect to the accuracy or completeness of the Confidential Information or any portion thereof and the Participant will not be entitled to rely on the accuracy or completeness of the Confidential Information or any portion thereof. None of the Applicants, the Monitor, the Sales Advisor, any of their directors, officers, employees, professional advisors (including, without limitation, financial advisors, lawyers, and accountants) or agents, will be held liable for any errors or omissions in the Confidential Information or the use or the results of the use of the Confidential Information.
5. Neither the Participant nor any of its affiliates, related persons, or Representatives shall, directly or indirectly, alone, jointly or in concert with any other person, bid or seek to purchase any of the property, shares, or assets subject to the SISP (and the Participant hereby confirms it has no interest and will not participate in any

transaction concerning such property, shares, or assets, subject to the SISP), acquire a material portion of the assets, shares, or property of the Applicants or which is subject to or otherwise discussed in the Confidential Information, or enter into any merger, arrangement, amalgamation or other business combination involving the Applicants or advise, assist, or encourage any other person in connection with any of the foregoing.

Upon receiving each Participant's acknowledgement and agreement to the above confidentiality provisions, such Participant will receive a calendar invite and link to the Virtual Meeting.

Regards,



Katie Hynne
Legal Assistant | Adjointe juridique
Bankruptcy and Restructuring | Faillite et restructuration
Sean Collins, Walker MacLeod, Pantelis Kyriakakis, Nathan Stewart
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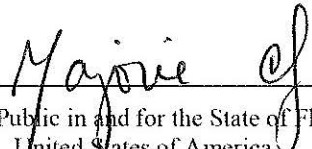
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GREGORY WHITE
Sworn before me this 5th day
of November, 2024



Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

< 214



Doug >

Thu, May 2 at 11:51 AM

Hi Greg...are things proceeding on the debt roll to your satisfaction, at least so far? We connected BLG and Faskens to work thru the finer details.

Let

me know if I can do anything from my end.

Doug

Ok

Thu, May 2 at 6:23 PM

Cool if I call you tmw?



You bet...im good 8 to 12 MST

Wed, May 22 at 12:46 PM

Got thru the creditors' meeting in one piece. Disclosed the debt assumption. No comments.

Wow

Thats great, thank you Doug

Wed, May 22 at 4:07 PM

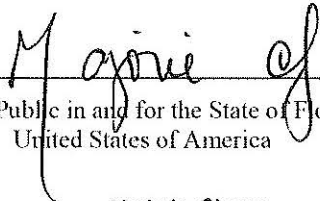
Hopefully, the last step in my tenure.



Text Message



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of November, 2024



Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

From: Stewart, Nathan <nstewart@mccarthy.ca>
Sent: July-12-24 4:38 PM
To: Jessica Cameron
Cc: Collins, Sean F.; Kyriakakis, Pantelis
Subject: RE: [EXT] ITMO the Plan of Compromise or Arrangement of Razor Energy Corp., Razor Holdings GP Corp., and Blade Energy Services Corp. [Court File No. 2401-02680] [FMD-CANADA.FID12888438]
Attachments: Confidential Exhibits to the Affidavit #8 of Doug Bailey, sworn on July 10, 2024.pdf

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Hi Jessica,

I am writing further to your email to Sean and Pantelis, below. The undertaking proposed in your email below is acceptable, subject to the amendment that, in addition to the terms described in your email, prior to making use of the Confidential Exhibits to the Affidavit #8 of Doug Bailey, sworn on July 10, 2024 (the “**Confidential Exhibits**”) or transmitting any portion of same to Arena, you will provide your client’s confirmation in writing (through your office) that it: (a) will not tender a bid, either alone or in concert with any person, for the assets described in the Confidential Exhibits (for clarity, the assumption of the Arena debt contemplated by the separate corporate transaction is not in violation of this clause); (b) will keep the contents of the Confidential Exhibits confidential and will not transmit them to any person other than its representatives engaged in this matter, and will instruct such representatives regarding the confidentiality of the Confidential Exhibits; and, (c) will not refer to or seek to enter the Confidential Exhibits as evidence in any court proceeding except as may be consistent with the Restricted Court Access Order sought by the Razor Entities in connection with the Application.

I have attached a copy of the Confidential Exhibits, which are delivered subject to the undertaking as amended. If you are unable or unwilling, for any reason, to comply with the above-noted undertaking, please advise immediately. In that case, if our offices are unable to come to an acceptable amendment to the undertaking, the Confidential Exhibits must be deleted without forwarding same to any other person.

Please do not hesitate to call me if you would like to discuss.

Thanks,
Nathan



Nathan Stewart
Associate | Sociétaire
Bankruptcy and Restructuring | Faillite et restructuration
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From: Jessica Cameron <jcameron@fasken.com>

Sent: Wednesday, July 10, 2024 5:16 PM

To: Kyriakakis, Pantelis <pkiriakakis@mccarthy.ca>; Collins, Sean F. <scollins@MCCARTHY.CA>

Cc: Scott Sangster <ssangster@fasken.com>

Subject: FW: [EXT] ITMO the Plan of Compromise or Arrangement of Razor Energy Corp., Razor Holdings GP Corp., and Blade Energy Services Corp. [Court File No. 2401-02680] [FMD-CANADA.FID12888438]

Hi PK/Sean,

Would you be able to please send me the confidential exhibits referred to in the Bailey Affidavit, on the basis that we agree to maintain those documents in confidence and they will only be disclosed to either Fasken lawyers working with Arena on this mandate or Arena representatives engaged on this file? Thanks in advance and happy to discuss this request further if you like.

Best,

Jessica Cameron (She/Her)

Partner

T +1 403 261 9468 | jcameron@fasken.com

Fasken Martineau DuMoulin LLP

From: Hynne, Katie <khynne@mccarthy.ca>

Sent: Wednesday, July 10, 2024 11:57 AM

To: 'deryck.helkaa@fticonsulting.com' <deryck.helkaa@fticonsulting.com>; 'dustin.olver@fticonsulting.com'

<dustin.olver@fticonsulting.com>; 'brett.wilson@fticonsulting.com' <brett.wilson@fticonsulting.com>;

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'jessica.mackinnon@blakes.com' <jessica.mackinnon@blakes.com>; 'RZahara@mltaikins.com'

<RZahara@mltaikins.com>; Kaitlin Ward <kward@mltaikins.com>; 'MSwanberg@rmrf.com' <MSwanberg@rmrf.com>;

'rsharma@bryanco.com' <rsharma@bryanco.com>; 'chuck.russell@mross.com' <chuck.russell@mross.com>; Scott

Sangster <ssangster@fasken.com>; Jessica Cameron <jcameron@fasken.com>; 'cameronk@bennettjones.com'

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'claire.hildebrand@blakes.com' <claire.hildebrand@blakes.com>; 'kstewart@kahanelaw.com'

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'manovich@wolfeautomotive.ca' <manovich@wolfeautomotive.ca>; 'Stephen_Bouman@tcenergy.com'

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Cc: Collins, Sean F. <scollins@MCCARTHY.CA>; Kyriakakis, Pantelis <pkiriakakis@mccarthy.ca>; Stewart, Nathan <nstewart@mccarthy.ca>

Subject: [EXT] ITMO the Plan of Compromise or Arrangement of Razor Energy Corp., Razor Holdings GP Corp., and Blade Energy Services Corp. [Court File No. 2401-02680]

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Service List:

Please find enclosed, for service upon you, unfiled copies of the following:

1. Notice of Application, scheduled to be heard before the Honourable Justice Mah at 3:00 p.m. on July 17, 2024; and,
2. Affidavit #8 of Doug Bailey, sworn on July 10, 2024.

Proof of filing will be provided in due course.

Regards,



Katie Hynne
Legal Assistant | Adjointe juridique
Bankruptcy and Restructuring | Faillite et restructuration
Sean Collins, Walker MacLeod, Pantelis Kyriakakis, Nathan Stewart
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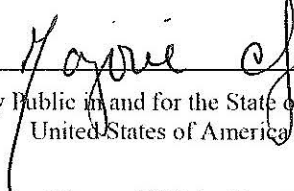
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GREGORY WHITE
Sworn before me this 5th day
of November, 2024



Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

Court of King's Bench of Alberta

Citation: Razor Energy Corp., v Companies' Creditors Arrangement Act, 2024 ABKB 534

Date:20240906
Docket: 2401 02680
Registry: Calgary

In the Matter of the Companies Creditors Arrangement Act, RSC 1985, c C-36

Between:

Razor Energy Corp., Razor Holdings Gp Corp, Blade Energy Services Corp.

Applicants

- and -

Companies' Creditors Arrangement Act

Respondents

Corrected judgment: A corrigendum was issued on September 12, 2024; the corrections have been made to the text and the corrigendum is appended to this judgment.

Corrected judgment: A corrigendum was issued on September 9, 2024; the corrections have been made to the text and the corrigendum is appended to this judgment.

**Reasons for Decision
of
Honourable Justice M.E. Burns**

[1] Razor is in the business of the development and production of oil and gas.

[2] Alberta (the "Crown") owns and holds legal title to most mines and minerals and natural resources in the province and enters into agreements under the *Mines and Minerals Act*, RSA c

M-17 (the “*Act*”) that grants rights in respect of minerals, which includes petroleum and oils as provided in Section 1(1)(p)(i) and section 16 of the *Act*.

[3] The *Act* provides that a royalty determined under the *Act* is reserved to the Crown on a mineral recovered pursuant to an agreement. The royalty is prescribed from time to time by the Lieutenant Governor in Council (section 34).

[4] The Alberta Petroleum Marketing Commission (“APMC”) was created and appointed to act as the Crown’s agent to receive and market crude oil royalty volumes and includes tasks related to crude oil royalty forecasting, deliveries, and settlement of Crown oil royalties under the *Petroleum Marketing Act* and its’ regulations.

[5] Razor has entered into approximately 321 “Petroleum and Natural Gas Leases” with the Crown. Each of the agreements are substantially identical other than the location and “leased substance.” As a result, Razor is obligated to deliver to the Crown a royalty share of the leased substance produced by delivering such share to APMC.

[6] The royalty owing to the Crown in respect of the leased substance produced by Razor in January 2024 was not delivered to the APMC by Razor.

[7] On January 30, 2024, Razor commenced insolvency proceedings by filing notices of intention to make proposals to their creditors pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (“*BIA*”), consequently there was a stay of proceedings respecting Razor and its property.

[8] On February 28, 2024, Razor converted its proposal proceedings to proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (“*CCAA*”), with an (“initial order”) being granted the same day. Amongst other things, a Monitor was appointed and the stay of proceedings under the proposal continued with respect to preventing parties from commencing or continuing proceedings or exercising any rights or remedies against Razor.

[9] On February 28th, APMC notified the Monitor and Razor Energy of the Crown’s ownership and title to royalty oil, including the January royalty deficiency volumes (estimated to be 934.8 m³ of crude oil). APMC advised Razor Energy it was in a bailment and trust relationship with respect to the Crown’s royalty share of crude oil production, and there was no right to seize and convert the Crown’s property for the use of Razor Energy and its creditors and the royalty oil could not form part of the property of Razor Energy.

[10] On March 1, 2024, the APMC directed Razor Energy (“the Direction”), pursuant to section 12(1) of the *Petroleum Marketing Regulation*, to deliver, in kind, to APMC, as part of the February 2024 royalty deliveries, crude oil of an equal quantity and like quality to the January 2024 royalty deficiency volumes that were not delivered.

[11] The Monitor’s position, as stated in its First Report, was that as the Direction from APMC was directly related to the January royalty amounts, it appeared to the Monitor that the Direction was in breach of the prohibition on the exercise of rights and remedies contained in paragraph 15 of the Initial Order.

[12] APMC, on behalf of the Crown, argues that it has a proprietary right in the oil that it reserves as royalties. This right applies to the monthly oil royalty and the oil it directs to be paid under section 12(1) of the *Act*. APMC argues that the Crown does not become a creditor when a royalty is not paid – it has a proprietary right that it may seek over subsequent oil production.

AMPC is not seeking the enforcement of a payment, it is seeking to have the Crown's royalty share delivered to it.

[13] Razor, and its primary creditor, Arena Investors LP, argue that while the Crown may have a proprietary right to the oil in the month the royalties are due, if the oil is not provided, the Crown becomes a creditor with respect to the outstanding royalty deficiency volumes and the usual priorities will apply to the Crown in the context of the bankruptcy. The fact that APMC is directing Razor's pre-filing obligations be paid in kind rather than cash is still enforcing a missed payment – an outstanding liability to a creditor.

What is the scope of the stay?

[14] The Initial Order, as amended and extended, contains provisions mandating a stay. It provides, in part, that:

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. Until and including March 8, 2024, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court (each, a "Proceeding") shall be commenced or continued against or in respect of the Razor Entities (including, for greater certainty, Razor Royalties LP) or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Razor Entities (including, for greater certainty, Razor Royalties LP) or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Razor Entities (including, for greater certainty, Razor Royalties LP) or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court [...]

[15] Razor asserts that all financial and payment obligations relating to the pre-filing period are stayed under the *CCAA* and failure to pay a pre-filing royalty deficiency volume does not give rise to an enforceable remedy during the applicable stay period. The *CCAA* is clear that it is binding upon the Crown. It is also clear that the *CCAA* applies with respect to the debtor's assets and does not permit a debtor to take and use that which they do not own.

Is this a deemed trust?

[16] Razor argues that while the *Mines and Minerals Act* uses language of "ownership," APMC's claim is akin to or in fact a statutory deemed trust. Section 37(1) of the *CCAA* provides:

37 (1) Subject to subsection (2), despite any provision in federal or provincial legislation that has the effect of deeming property to be held in trust for Her Majesty, property of a debtor company shall not be regarded as being held in trust for Her Majesty unless it would be so regarded in the absence of that statutory provision.

[17] Razor argues that the Crown's royalty share of the mineral produced in a given month is commingled with all the produced minerals which are property of Razor Energy. Razor asserts that section 3(b) of the *Marketing Regulation* implicitly recognizes this and states that "when crude oil recovered pursuant to an agreement is delivered to a field delivery point during a delivery month, the Crown's royalty share of that crude oil is deemed to be delivered first". Presumably, Razor's position is that the Crown's oil, deemed to be delivered first, would then engage the protection of s 37(1) of the *CCAA*.

[18] The Crown's position is that this is different because here there is no question that the Crown holds the proprietary interest in all of the crude subject to Razor's interest. Razor's interest is governed by a contract and the provisions of the *Act*. Section 37 applies to "property of a debtor company" being held in trust for Her Majesty. The Crown's royalty share is not and never was the "property of the debtor" which was deemed by statute to be held for the Crown. It was always the property of the Crown. At most, Razor is "a trustee or agent" in respect of the Crown royalty share. This is not a deemed trust created by statute but rather a recognition of the fundamental *in rem* rights the Crown has in the royalty share.

[19] The Alberta Court of Appeal considered the *Act* and the Crown's interest in the mineral production in the decision of *Excel Energy Inc v Alberta*, 1997 ABCA 24 at paragraphs 6 and 7, where the court noted:

... under Alberta law, the Crown royalty is an *in rem* right. To establish the required statutory obligation, Excel relied upon provisions in the *Mines and Minerals Act*, RSA 1980, c M-15, s 34 provides that "A royalty ... is reserved to the Crown in right of Alberta on any mineral recovered pursuant to an agreement." S. 35(3) provided that the royalty interest was deliverable in kind. S. 36 provides that title remains in Alberta even though the royalty is commingled during the extraction and refining process, and indeed remains until the Alberta interest is "disposed of by or on behalf of the Crown". If then, the producer ever sells the royalty it can only do so as agent for Alberta.

It first must be said that this attempt by Canada to treat an obligation as income is, of course, the creation of a fiction. Nobody but Alberta ever in fact had that royalty or received a penny by way of proceeds from it. Alberta held an *in rem* interest in the hydrocarbons as they came out of the ground, and, when they were sold, the proceeds, under the scheme of the Alberta *Act*, went straight to Alberta. The producer could never be anything more than a trustee or agent.

[20] Consequently, this is not a case such as *British Columbia v. Henfrey Samson Belair Ltd.*, [1989] 2 S.C.R. 24, where a person collects a tax (cash or similar), and the legislation deems a trust over the tax collector's property for the amount of the tax collected.

[21] Further, in *Canada v. Canada North Group Inc.*, 2021 SCC 30, the question was whether a deemed trust created by statute had a priority over priming (administrative) charges in the context of the *CCAA*. The SCC found that the deemed trust did not create a beneficial interest that could be considered a proprietary interest and did not give the Crown a property interest as a common law trust would, reasoning that the trust lacked the quality that allowed a court to refer to a beneficiary as a beneficial owner.

[22] Here, the Court of Appeal recognized the *in rem* ownership interest in the hydrocarbons. Razor's relationship to the Crown's royalty share as a trustee or agent is not a deemed trust

created by statute but rather a recognition of the fundamental *in rem* rights the Crown has in the royalty share. No deemed trust is necessary or has been created. There is already a proprietary interest. Razor does not hold the oil in a “trust” as one would find in a deemed trust. Razor is holding onto the Crown’s oil. The Initial Order applies to creditors and to Razor’s property, not the Crown’s property.

But does the Crown become a creditor when a royalty is not delivered?

[23] Given the decision in *Excel*, it is clear that the Crown’s rights to the royalty share are *in rem*. Razor never owned and was never entitled to own the Crown’s royalty share of production. Neither the *BIA* nor the *CCAA* give Razor any ownership interest in the Crown’s royalty share.

[24] The Crown argues that Alberta is not acting as a creditor, but the steward of natural resources owned by and for the benefit of all Albertans, which it develops in the public interest, but in the context of oil that was not provided when required, is the Crown then a creditor with respect to the non-delivered amount? And if so, is it the type of “claim” covered by the Initial Order or the statutes?

[25] Arena argues that APMC is fundamentally seeking relief in relation to a pre-filing claim which has been stayed by virtue of the Initial Order. The APMC is utilizing the enforcement mechanisms available to it under provincial legislation to seek recovery of the January 2024 royalty shares.

[26] The reality is that the royalty is a tangible, physical quantity of oil but Razor no longer possesses the January 2024 royalty shares volume because it was likely transferred to third party oil marketers back in the beginning of the year (albeit in violation of section 11 of the *Act*) and the tangible assets are unrecoverable. As a result, the APMC cannot enforce its *in rem* rights with respect to that particular oil.

Can AMPC demand the royalty under s 12?

[27] Section 12(1) of the Petroleum Marketing Regulation provides:

12(1) If there is an underdelivery balance at a battery for a delivery month, the Commission, by a notice given to the operator of the battery for that delivery month, may direct that the default under the agreement or agreements resulting from the deficient delivery be remedied by the delivery in kind to the Commission of crude oil in equal quantity and of like quality to the underdelivery balance

- (a) in the month in which the direction is given,
- (b) in a particular subsequent month, or
- (c) in instalments in 2 or more particular subsequent months,

whichever is specified in the direction (emphasis added).

[28] Section 12 is a statutory enforcement clause/remedy. Section 15 of the Initial Order is specific in providing that all rights and remedies of a government body, whether judicial or extra-judicial, statutory, or non-statutory, against or in respect of the Razor Entities, or affecting the Business or Property, are stayed.

[29] Whether APMC could exercise its rights under section 13 (seeking a monetary amount) is irrelevant to this determination.

[30] Further, there is no paramountcy issue here. There is no conflict between the Act and *Petroleum Marketing Regulation* and the *CCAA* or *BIA*. The Initial Order was made within the power, authority, and jurisdiction of the Court. The Crown is bound by it.

[31] At its crux, even though the oil was wrongfully taken in January, and the Crown has title to any and all subsequent oil, subject to the terms of the leases, and even though the oil was held in a true trust, not a deemed trust, the act allows, and the Initial Order provides, that all attempts at remedying the taken oil were stayed. Using the power in Section 12 is a remedial step that is stayed.

[32] APMC's application is dismissed.

Heard on the 10 day of April, 2024.

Dated at the City of Calgary, Alberta this 6th day of September, 2024.

M.E. Burns
J.C.K.B.A.

Appearances:

William Shores,
Shores Jardine LLP
for the Applicant

Pantellis Kyriakakis,
McCarthy Tetrault LLP,
for the Respondent Razor Energy Razor Holdings GP Corp.,
and Blade Energy Services Corp.

Jessica Cameron,
Fasken Martineau DuMoulin LLP
for the Respondent Arena Investors LP

Kelly Bourassa,
Blake, Cassels & Graydon LLP
counsel to the court-appointed Monitor,
for FTI Consulting Canada Inc.

Mick Wall,
Attorney General of Alberta
for the Respondents

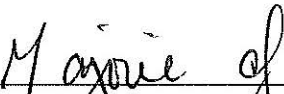
Corrigendum of the Reasons for Decision
of
The Honourable Justice M.E. Burns Honourable Justice M.E. Burns

A corrigendum was issued to correct Honourable Justice M.E. Burns title on the cover page.

**Corrigendum of the Reasons for Decision
of
M.E. Burns M.E. Burns, Registrar in Bankruptcy**

A Corrigendum was issued to correct one counsel's law firm.

This is Exhibit "W"
Referred to in the Affidavit of
GREGORY WHITE
Sworn before me this 5th day
of November, 2024



Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

Second Report of FTI Consulting Canada Inc.,
In its capacity as Monitor of Razor Energy Corp., Razor Holdings GP Corp., and Blade Energy Services Corp.

Appendix “A” – Cash Flow Forecast for the period ending May 5, 2024

Razor Energy Corp., Razor Royalties Limited Partnership, Razor Holdings GP Corp., and Blade Energy Services Corp. (the "Razor Entities")

Projected Cash Flow Forecast for the Period of March 18, 2024 to May 5, 2024

Cash Flow Forecast		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Total
(C\$ 000s)	Week Ending	24-Mar	31-Mar	7-Apr	14-Apr	21-Apr	28-Apr	5-May	
Receipts									
Net production revenue	1	\$ -	\$ 1,903	\$ -	\$ -	\$ -	\$ 2,011	\$ -	\$ 3,914
Other receipts	2	15	65	15	15	15	15	65	205
Total - Receipts		15	1,968	15	15	15	2,026	65	4,119
Disbursements									
Operating expenses	3	(599)	(260)	(290)	(160)	(10)	(1,205)	(140)	(2,665)
Transportation costs	4	-	(50)	-	-	-	(250)	-	(300)
Lease rentals	5	-	-	-	-	(44)	-	-	(44)
Insurance	6	-	(645)	-	(27)	-	-	-	(672)
Payroll	7	-	(230)	-	(230)	-	(230)	-	(690)
Professional & Sales Agent fees	8	(100)	(195)	-	-	-	(120)	-	(415)
G&A expense	9	(50)	(60)	(88)	(50)	(50)	(20)	(84)	(402)
Total - Disbursements		(749)	(1,440)	(378)	(467)	(104)	(1,825)	(224)	(5,188)
Net cash flow		(734)	528	(363)	(452)	(89)	201	(159)	(1,069)
Opening cash balance		1,203	469	997	633	181	93	293	1,203
Ending cash balance		\$ 469	\$ 997	\$ 633	\$ 181	\$ 93	\$ 293	\$ 134	\$ 134



RAZOR ENTITIES

Per: Doug Bailey, President and CEO

Notes:

Management of the Razor Entities has prepared this Projected Cash Flow Forecast solely for the purposes of determining the liquidity requirements of the Razor Entities during the period of March 18, 2024 to May 5, 2024. This Projected Cash Flow Forecast is based on probable and hypothetical assumptions detailed in the notes below. Consequently, actual results will likely vary from actual performance and such variances may be material.

- 1 Net production revenue relates to the sale of Razor Energy Corp's petroleum and natural gas production and is based on forecast production volumes and third-party pricing. Further, it assumes no operated production can be sent to the Judy Creek Gas Plant and no additional net revenue received from non-operated production. Crown royalties for oil production are paid in kind.
- 2 Other receipts consist of third-party road use fees, partner joint interest billings, the SHGPC payments, etc.
- 3 Operating expenses are based on the annual operating budget and relates to the costs associated with the operation of oil and natural gas wells.
- 4 Transportation costs relate to transporting petroleum and natural gas production from well head to market and is based on projected production volumes and transportation rates.
- 5 Lease rentals are based on annual budget (excluding freehold).
- 6 Insurance is based on current policy premiums and estimated D&O run off insurance.
- 7 Payroll is based on the most recent payroll registers.
- 8 Professional fees include estimates for the Monitor, the Monitor's legal counsel, Razor Entities' legal counsel, and Sales Agent.
- 9 G&A expense includes overhead costs based on the annual budget and margin call on hedging contracts.

This is Exhibit "X"
Referred to in the Affidavit of
GREGORY WHITE
Sworn before me this 5th day
of November, 2024

Marjorie Chavez

Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

From: Jessica Cameron
Sent: October-09-24 4:06 PM
To: William W. Shores
Cc: Kathleen Elhatton-Lake; Anthony Mersich; scollins@mccarthy.ca; pkyriakakis@mccarthy.ca; Bourassa, Kelly; Keliher, Christopher; adam.ollenberger@gov.ab.ca; leah.mcdaniel@gov.ab.ca; Nolan Hindmarsh (Nolan.Hindmarsh@apmc.ca)
Subject: RE: Appeal of Decision of Justice M.E. Burns dated September 6, 2024 in Court of King's Bench Action 2401-02680 [FMD-CANADA.FID3799612]

Thanks Bill. No urgency in that respect on my end. I appreciate it and hope you enjoy your time out of the office.

Jessica Cameron (She/Her)

Partner

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Fasken Martineau DuMoulin LLP

From: William W. Shores <Bill@shoresjardine.com>
Sent: Wednesday, October 9, 2024 4:04 PM
To: Jessica Cameron <jcameron@fasken.com>
Cc: Kathleen Elhatton-Lake <Kathleen@shoresjardine.com>; Anthony Mersich <amersich@fasken.com>; scollins@mccarthy.ca; pkyriakakis@mccarthy.ca; Bourassa, Kelly <kelly.bourassa@blakes.com>; Keliher, Christopher <christopher.keliher@blakes.com>; adam.ollenberger@gov.ab.ca; leah.mcdaniel@gov.ab.ca; Nolan Hindmarsh (Nolan.Hindmarsh@apmc.ca) <Nolan.Hindmarsh@apmc.ca>
Subject: RE: Appeal of Decision of Justice M.E. Burns dated September 6, 2024 in Court of King's Bench Action 2401-02680 [FMD-CANADA.FID3799612]

Hi Jessica

Thanks. I will be away till Tuesday, but will deal with it on my return unless you see a greater urgency.

Cheers

Bill



William W. Shores K.C.
Counsel
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Commencing May 1, 2024 our new office hours are 8:00 am to 4:00 pm.

From: Jessica Cameron <jcameron@fasken.com>
Sent: Wednesday, October 9, 2024 3:49 PM
To: William W. Shores <Bill@shoresjardine.com>
Cc: Kathleen Elhatton-Lake <Kathleen@shoresjardine.com>; Anthony Mersich <amersich@fasken.com>; scollins@mccarthy.ca; pkiriakakis@mccarthy.ca; Bourassa, Kelly <kelly.bourassa@blakes.com>; Keliher, Christopher <christopher.keliher@blakes.com>; adam.ollenberger@gov.ab.ca; leah.mcdaniel@gov.ab.ca
Subject: RE: Appeal of Decision of Justice M.E. Burns dated September 6, 2024 in Court of King's Bench Action 2401-02680 [FMD-CANADA.FID3799612]

Hi Bill,

Apologies on the delay in following up on this. I have confirmed that Arena intends to oppose the APMC's Application for leave to Appeal. If you would kindly add Arena as a Respondent to the proceedings so that we may obtain access to the materials on CAMs and file our responding materials accordingly it would be appreciated.

Best,

Jessica Cameron (She/Her)

Partner

T +1 403 261 9468 | jcameron@fasken.com

Fasken Martineau DuMoulin LLP

From: Jessica Cameron <jcameron@fasken.com>
Sent: Thursday, October 3, 2024 9:15 AM
To: William W. Shores <Bill@shoresjardine.com>
Cc: Kathleen Elhatton-Lake <Kathleen@shoresjardine.com>; Anthony Mersich <amersich@fasken.com>; scollins@mccarthy.ca; pkiriakakis@mccarthy.ca; Bourassa, Kelly <kelly.bourassa@blakes.com>; Keliher, Christopher <christopher.keliher@blakes.com>; adam.ollenberger@gov.ab.ca; leah.mcdaniel@gov.ab.ca
Subject: Re: Appeal of Decision of Justice M.E. Burns dated September 6, 2024 in Court of King's Bench Action 2401-02680 [FMD-CANADA.FID3799612]

Thank you very much Bill. I appreciate that. I am speaking with my client later today and expect to have instructions with respect to whether they will take a position. I will follow up after that.

Best,

Jessica Cameron (She/Her)

Partner

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Fasken Martineau DuMoulin LLP

From: William W. Shores <Bill@shoresjardine.com>
Sent: Wednesday, October 2, 2024 4:26:39 PM
To: Jessica Cameron <jcameron@fasken.com>
Cc: Kathleen Elhatton-Lake <Kathleen@shoresjardine.com>; Anthony Mersich <amersich@fasken.com>; scollins@mccarthy.ca <scollins@MCCARTHY.CA>; pkiriakakis@mccarthy.ca <pkiriakakis@mccarthy.ca>; Bourassa, Kelly <kelly.bourassa@blakes.com>; Keliher, Christopher <christopher.keliher@blakes.com>; adam.ollenberger@gov.ab.ca <adam.ollenberger@gov.ab.ca>; leah.mcdaniel@gov.ab.ca <leah.mcdaniel@gov.ab.ca>

Subject: RE: Appeal of Decision of Justice M.E. Burns dated September 6, 2024 in Court of King's Bench Action 2401-02680 [FMD-CANADA.FID3799612]

Jessica

I can consent to you being added.

Cheers

Bill



William W. Shores K.C.
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From: Jessica Cameron <jcameron@fasken.com>
Sent: Monday, September 30, 2024 10:54 AM
To: William W. Shores <Bill@shoresjardine.com>
Cc: Kathleen Elhatton-Lake <Kathleen@shoresjardine.com>; Anthony Mersich <amersich@fasken.com>; scollins@mccarthy.ca; pkiriakakis@mccarthy.ca; Bourassa, Kelly <kelly.bourassa@blakes.com>; Keliher, Christopher <christopher.keliher@blakes.com>; adam.ollenberger@gov.ab.ca; leah.mcdaniel@gov.ab.ca
Subject: RE: Appeal of Decision of Justice M.E. Burns dated September 6, 2024 in Court of King's Bench Action 2401-02680 [FMD-CANADA.FID3799612]

Hi Bill,

I am writing with respect to the scheduling of the APMC's Application for Leave to Appeal the decision of Justice Burns. I am still trying to confirm instructions with my client on this matter; however, I do anticipate receiving instructions to oppose APMC's Application for Leave. I understand from counsel for Razor that they are unavailable on October 9th, and as such I would appreciate being involved in the discussions regarding rescheduling APMC's Application to an alternative date.

As another matter, I have requested access to the Appeal Proceedings on CAMS but have been denied such access on the basis that Arena is not listed as a party to the appeal. Could you please advise whether APMC would be willing to agree to add Arena as a Respondent to the Appeal, otherwise we will be required to pursue an Application to Intervene. In my view, this is only going to contribute to further unnecessary costs in this matter, costs which Arena would look to recover against APMC if successful, and also further delay the ultimate hearing of APMC's Application for Leave.

I look forward to your response with respect to the above two captioned matters and would be happy to discuss this further with you.

Best,

Jessica Cameron (She/Her)

Partner

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Fasken Martineau DuMoulin LLP

From: Carmen Kohlman <Carmen@shoresjardine.com>

Sent: Friday, September 27, 2024 12:15 PM

To: William W. Shores <Bill@shoresjardine.com>; Kathleen Elhatton-Lake <Kathleen@shoresjardine.com>; 'scollins@mccarthy.ca' <scollins@MCCARTHY.CA>; 'pkyriakakis@mccarthy.ca' <pkyriakakis@mccarthy.ca>; Jessica Cameron <jcameron@fasken.com>; Anthony Mersich <amersich@fasken.com>; 'Bourassa, Kelly' <kelly.bourassa@blakes.com>; 'Adam Ollenberger' <Adam.Ollenberger@gov.ab.ca>

Cc: 'nstewart@mccarthy.ca' <nstewart@mccarthy.ca>; 'deryck.helkaa@fticonsulting.com' <deryck.helkaa@fticonsulting.com>; 'dustin.olver@fticonsulting.com' <dustin.olver@fticonsulting.com>; 'brett.wilson@fticonsulting.com' <brett.wilson@fticonsulting.com>; 'Cameron.Browning@fticonsulting.com' <Cameron.Browning@fticonsulting.com>; 'Keliher, Christopher' <christopher.keliher@blakes.com>; 'RZahara@mltaikins.com' <RZahara@mltaikins.com>; 'kward@mltaikins.com' <kward@mltaikins.com>; 'MSwanberg@rmrf.com' <MSwanberg@rmrf.com>; 'rsharma@bryanco.com' <rsharma@bryanco.com>; 'rvandemosselaer@osler.com' <rvandemosselaer@osler.com>; 'epaplowski@osler.com' <epaplowski@osler.com>; 'jtreleaven@osler.com' <jtreleaven@osler.com>; Scott Sangster <ssangster@fasken.com>; Jessica Cameron <jcameron@fasken.com>; 'Keely Cameron' <CameronK@bennettjones.com>; 'Bychawski, Peter' <peter.bychawski@blakes.com>; 'Hildebrand, Claire' <claire.hildebrand@blakes.com>; 'kstewart@kahanelaw.com' <kstewart@kahanelaw.com>; 'Maria.Lavelle@aer.ca' <Maria.Lavelle@aer.ca>; 'insolvency@aer.ca' <insolvency@aer.ca>; 'George.Body@justice.gc.ca' <George.Body@justice.gc.ca>; 'Kasydi.Mack@justice.gc.ca' <Kasydi.Mack@justice.gc.ca>; 'Kristopher.Lensink@gov.ab.ca' <Kristopher.Lensink@gov.ab.ca>; 'manovich@wolfeautomotive.ca' <manovich@wolfeautomotive.ca>; 'Stephen_Bouman@tcenergy.com' <Stephen_Bouman@tcenergy.com>; 'mitch.shier@paramountres.com' <mitch.shier@paramountres.com>; 'mark.franko@paramountres.com' <mark.franko@paramountres.com>; 'gwhite@arenaco.com' <gwhite@arenaco.com>; 'cmamon@stridecap.com' <cmamon@stridecap.com>; 'albertaprod@teranet.ca' <albertaprod@teranet.ca>; 'absecparties@avssystems.ca' <absecparties@avssystems.ca>; 'legal@taqa.ca' <legal@taqa.ca>; 'sherry.pottie@cat.com' <sherry.pottie@cat.com>; 'albertaprod@teranet.ca' <albertaprod@teranet.ca>; 'pps@jimpeplinski.ca' <pps@jimpeplinski.ca>; 'jrachar@brandt.ca' <jrachar@brandt.ca>; 'Jennifer.Beatty@bmo.com' <Jennifer.Beatty@bmo.com>; 'legalca@mhcna.com' <legalca@mhcna.com>; 'MOCC_Brandt@meridianonecap.ca' <MOCC_Brandt@meridianonecap.ca>; 'admin@atrl.ca' <admin@atrl.ca>; 'westreception@edmkw.com' <westreception@edmkw.com>; 'gplester@brownleelaw.com' <gplester@brownleelaw.com>; 'gunnar.benediktsson@nortonrosefulbright.com' <gunnar.benediktsson@nortonrosefulbright.com>; 'jamie.flanagan@mross.com' <jamie.flanagan@mross.com>; 'grenonjp@tomcapital.com' <grenonjp@tomcapital.com>; 'simon.abbott.2013@lawmail.usc.edu' <simon.abbott.2013@lawmail.usc.edu>; 'fady.a@bsrl.ca' <fady.a@bsrl.ca>; 'thejanecorp@gmail.com' <thejanecorp@gmail.com>; 'treasury@acquisitionoil.com' <treasury@acquisitionoil.com>; 'rbergmann@acquisitionoil.com' <rbergmann@acquisitionoil.com>; 'tenah@canadiankenwood.com' <tenah@canadiankenwood.com>; 'kent.black@paramountres.com' <kent.black@paramountres.com>; 'mailballots@paramountres.com' <mailballots@paramountres.com>; 'skuehnle@tenthavenuepetroleum.com' <skuehnle@tenthavenuepetroleum.com>; 'nwilson@tenthavenuepetroleum.com' <nwilson@tenthavenuepetroleum.com>; 'landcomplianceinquiries@prairiesky.com' <landcomplianceinquiries@prairiesky.com>; 'James.nixon@prairiesky.com' <James.nixon@prairiesky.com>; 'IOGCCCompliance@sac-isc.gc.ca' <IOGCCCompliance@sac-isc.gc.ca>; 'Marianne.Panenka@justice.gc.ca' <Marianne.Panenka@justice.gc.ca>; 'Jasey.Stevens@justice.gc.ca' <Jasey.Stevens@justice.gc.ca>; 'colin.laroche@justice.gc.ca' <colin.laroche@justice.gc.ca>; 'raymond.lee@justice.gc.ca' <raymond.lee@justice.gc.ca>; 'leah.bruchet@justice.gc.ca' <leah.bruchet@justice.gc.ca>; 'Nolan.Hindmarsh@apmc.ca' <Nolan.Hindmarsh@apmc.ca>; 'Andre.Stanojic@halliburton.com' <Andre.Stanojic@halliburton.com>; 'David.Martin2@halliburton.com' <David.Martin2@halliburton.com>; 'MVernon@fieldlaw.com' <MVernon@fieldlaw.com>; 'PGreep@rmrf.com'

<PGreep@rmrf.com>; 'ssmith@sabre-energy.com' <ssmith@sabre-energy.com>; 'plaflair@sabre-energy.com' <plaflair@sabre-energy.com>; 'tcooper@hwnenergy.com' <tcooper@hwnenergy.com>; 'pnegenman@lawsonlundell.com' <pnegenman@lawsonlundell.com>; 'askeith@rmrf.com' <askeith@rmrf.com>; 'earnold@suncor.com' <earnold@suncor.com>; 'Kenneth.Whitelaw@gov.ab.ca' <Kenneth.Whitelaw@gov.ab.ca>; 'Emmett.Larsen@gov.ab.ca' <Emmett.Larsen@gov.ab.ca>; 'Colin.King@gov.ab.ca' <Colin.King@gov.ab.ca>; 'Joe.Reeves@nrg.com' <Joe.Reeves@nrg.com>; 'Dave.Dube@nrg.com' <Dave.Dube@nrg.com>; 'Wanda.merenick@directenergy.com' <Wanda.merenick@directenergy.com>; 'Megan.Woodward@directenergy.com' <Megan.Woodward@directenergy.com>; 'ateasdale@lawsonlundell.com' <ateasdale@lawsonlundell.com>; 'kkashuba@torys.com' <kkashuba@torys.com>; 'dkaiser@hwnenergy.com' <dkaiser@hwnenergy.com>; 'ivy.caine@justice.gc.ca' <ivy.caine@justice.gc.ca>; 'EPratt@osler.com' <EPratt@osler.com>; 'ragcaoili@mltaikins.com' <ragcaoili@mltaikins.com>; 'shaun.williams@prairiesky.com' <shaun.williams@prairiesky.com>; 'ragcaoili@mltaikins.com' <ragcaoili@mltaikins.com>; 'calvin.jim@nortonrosefulbright.com' <calvin.jim@nortonrosefulbright.com>; 'kylee.norris-brown@blakes.com' <kylee.norris-brown@blakes.com>; 'Shawn.Smith@cat.com' <Shawn.Smith@cat.com>

Subject: RE: Appeal of Decision of Justice M.E. Burns dated September 6, 2024 in Court of King's Bench Action 2401-02680

Good Afternoon,
Please see the enclosed letter and attachment from Mr. Shores.



Carmen Kohlman
Legal Assistant
Suite 2250 Bell Tower | 10104-103 Avenue | Edmonton, Alberta T5J 0H8
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Commencing May 1, 2024 our new office hours are 8:00 am to 4:00 pm.

From: Carmen Kohlman
Sent: Thursday, September 26, 2024 10:08 AM
To: William W. Shores <Bill@shoresjardine.com>; Kathleen Elhatton-Lake <Kathleen@shoresjardine.com>; 'scollins@mccarthy.ca' <scollins@MCCARTHY.CA>; 'pkyriakakis@mccarthy.ca' <pkyriakakis@mccarthy.ca>; 'jcameron@fasken.com' <jcameron@fasken.com>; 'amersich@fasken.com' <amersich@fasken.com>; 'Bourassa, Kelly' <kelly.bourassa@blakes.com>; Adam Ollenberger <Adam.Ollenberger@gov.ab.ca>
Cc: nstewart@mccarthy.ca; deryck.helkaa@fticonsulting.com; dustin.olver@fticonsulting.com; brett.wilson@fticonsulting.com; Cameron.Browning@fticonsulting.com; Keliher, Christopher <christopher.keliher@blakes.com>; RZahara@mltaikins.com; kward@mltaikins.com; MSwanberg@rmrf.com; rsharma@bryanco.com; rvandemosselaer@osler.com; epaplowski@osler.com; jtreleaven@osler.com; ssangster@fasken.com; jcameron@fasken.com; Keely Cameron <CameronK@bennettjones.com>; Bychawski, Peter <peter.bychawski@blakes.com>; Hildebrand, Claire <claire.hildebrand@blakes.com>; kstewart@kahanelaw.com; Maria.Lavelle@aer.ca; insolvency@aer.ca; George.Body@justice.gc.ca; Kasydi.Mack@justice.gc.ca; Kristopher.Lensink@gov.ab.ca; manovich@wolfeautomotive.ca; Stephen Bouman@tcenergy.com; mitch.shier@paramountres.com; mark.franko@paramountres.com; gwhite@arenaco.com; cmamon@stridecap.com; albertaprod@teranet.ca; absecparties@avssystems.ca; legal@taqa.ca; sherry.pottie@cat.com; albertaprod@teranet.ca; ppsa@jimpeplinski.ca; jrachar@brandt.ca; Jennifer.Beatty@bmo.com; legalca@mhccna.com; MOCC Brandt@meridianonecap.ca; admin@atrl.ca; westreception@edmkw.com; gplester@brownleelaw.com; gunnar.benediktsson@nortonrosefulbright.com; jamie.flanagan@mross.com; grenonjp@tomcapital.com; simon.abbott.2013@lawmail.usc.edu; fady.a@bsrl.ca; thejanecorp@gmail.com; treasury@acquisitionoil.com; rbergmann@acquisitionoil.com; tenah@canadiankenwood.com; kent.black@paramountres.com;

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Subject: Appeal of Decision of Justice M.E. Burns dated September 6, 2024 in Court of King's Bench Action 2401-02680

Good Morning,

Please see the enclosed letter and attachments from Mr. Shores.



Carmen Kohlman
Legal Assistant
Suite 2250 Bell Tower | 10104-103 Avenue | Edmonton, Alberta T5J 0H8
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This is Exhibit "Y"
Referred to in the Affidavit of
GREGORY WHITE
Sworn before me this 5th day
of November, 2024

Marjorie Chavez

Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

Distributed to CMO



SHORES JARDINE LLP

CMO Reviewed

- No Response Required
- Followed up by letter/ phone
- Other:

October 15, 2024

UPLOADED VIA CAMS

Calgary Court of Appeal
2600, 450 – 1st Street SW
Calgary, Alberta T2P 5H1



Please submit an Amended Application for Permission to Appeal with the additional parties added and then the file can be updated. I will grant the Fiat required for that to be filed.

Case Management Officer

Laurie Baptiste

Dated: October 15, 2024

Attention: Registry

Re: Application for Permission to Appeal – Action 2401-0253AC
Our File: 2352-00006 WWS

The Application for Permission to Appeal was filed by the Applicant on September 25, 2024. In the Application, it lists the contact information for all parties, including:

Fasken Martineau DuMoulin LLP
Attention: Jessica Cameron, jcameron@fasken.com
Counsel for Arena Investors LP

And

Blake, Cassels & Graydon LLP
Attention: Kelly Bourassa, kelly.bourassa@blakes.com
Counsel to the court-appointed Monitor for FTI Consulting Canada Inc.

Both Arena Investors LP and the Monitor for FTI Consulting Canada Inc. have advised that they will be participating in the appeal. The Applicant consents to them being added as Respondents.

I ask that the above parties and counsel be given access to the appeal file in CAMS to file their written materials for the Application returnable November 14, 2024.

Thank you.

Sincerely,

SHORES JARDINE LLP

Per: 

WILLIAM W. SHORES, K.C.
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WWS/ck

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CC:

McCarthy Tetrault LLP
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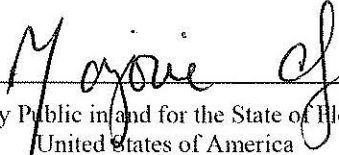
Attorney General of Alberta
**Attention: Adam Ollenberger and
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B A R R I S T E R S & S O L I C I T O R S

This is Exhibit "Z"
Referred to in the Affidavit of
GREGORY WHITE
Sworn before me this 5th day
of November, 2024



Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

Court of King's Bench of Alberta

Citation: Razor Energy Corp (Re), 2024 ABKB 553

Date: 20240919
Docket: 2401 02680
Registry: Calgary

In the Matter of the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended*

And In the Matter of the Plan of Compromise or Arrangement of Razor Energy Corp, Razor Holdings GP Corp, and Blade Energy Services Corp

Reasons for Decision
of the
Honourable Justice Douglas R. Mah

A. Background

[1] Within the ambit of *CCA*¹ proceedings, a creditor (Conifer Energy Inc) of the debtor corporation (Razor Energy Corp) seeks an Order under s 11 for payment of post-filing obligations and a priming charge to secure that payment.

[2] Here is a brief factual synopsis:

- Razor and Conifer are oil and gas producers. Conifer operates the Judy Creek Gas Conservation Plant where Conifer, under an ownership and operating agreement (OOA) with Razor, received and processed a major portion of Razor's gas production.
- Razor and Conifer, along with others, are owners of the gas plant. The OOA requires Razor to pay its share of the plant's operating costs and to pay for ongoing processing services in respect of its gas processed there. There are 8

¹ *Companies' Creditors Arrangement Act*, RSC, 1985, c C-36 as am.

other owners who have ownership interests in the functional units comprising the facility.

- In December 2023, after Razor defaulted in its obligations under the OOA, Conifer physically locked Razor out of the gathering system at 16 separate points within the South Swan Hills Gas Gathering System, thus preventing processing of about two-thirds of Razor's gas.
- Conifer was unable to completely lock out Razor because the configuration of the infrastructure did not allow Conifer to do so without adversely affecting third-party interests. Conifer set-off and continues to set-off the revenue from the one-third of Razor's gas that continues to be processed against Razor's obligations.
- Razor filed a Notice of Intention to Make a Proposal (NOI) under the *BIA*² in January 2024, thus invoking the statutory stay provided in s 69(1)(a) of the *BIA*.
- Justice Lema in a February 21, 2024 decision reported as *Blade Energy Services Corp (Re)*, 2024 ABKB 100 determined that Conifer's lockout action was contrary to the statutory stay so far as any pre-NOI amounts were concerned, but not any post-NOI amount owing. He determined that Conifer continues to enjoy any contractual remedies it may have with regard to unpaid post-NOI obligations.
- Following Justice Lema's decision, Conifer and Razor were unable to reach terms by which Razor could revert to full access to the plant. Razor had determined that it could continue to carry on business even without access to the Judy Creek plant. Thus, the lockout of the two-thirds of Razor's output continues and the set-off by Conifer of the revenue from the remaining one-third also continues.
- On February 28, 2024 Razor converted its NOI proceedings into a *CCAA* proceeding, engaging a new stay under s 11.02. There have been extensions applied for and granted. The current stay period expires on October 13, 2024. The amounts sought to be paid (or secured) relate to the period on and after February 28, 2024 or the "post-filing" period.
- Razor advises that its plan in the *CCAA* proceedings takes the form of a pending "Corporate Transaction" with a third-party purchaser which, according to Razor's affiant (Mr. Bailey, affidavit of September 6, 2024 at para 6), will come together on or about September 20, 2024 and will result in Conifer being paid the post-filing arrears in full. For reasons of commercial confidentiality, the details of the Corporate Transaction have not been disclosed.
- It is Conifer's surmise (affidavit of Ms. Wilkins affirmed September 3, 2024 at para 16) that Razor's interest in the Judy Creek gas plant and South Swan Hills Unit form part of the assets under sale in the Corporate Transaction.
- Razor continues to not pay Conifer under the OOA. Razor says it is insolvent and unable to do so. Conifer says that Razor is getting a "free ride" with respect to the one-third of gas output that continues to be processed at the Judy Creek plant and with regard to its ownership obligations. Furthermore, Conifer advises that

² *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 as am.

Razor's obligations to another owner, CNRL, are now being allocated by CNRL to Conifer, thus jeopardizing Conifer's financial status.

- The amount owed to Conifer by Razor for the post-filing period as of September 2, 2024 for services is \$1.89 million, including Razor's share of the plant's operating costs. The debt is escalating at a rate of \$250,000 per month after set-off. The amount reallocated by CNRL to Conifer in respect of Razor is more than \$4.15 million which includes approximately \$360,000 for post-filing amounts charged by CNRL.

B. Principles underlying the *CCAA*

[3] The Supreme Court of Canada in *Century Services Inc v Canada (Attorney General)*, 2010 SCC 60, by its majority at paras 57-60, set out the foundational precepts of decision-making under the *CCAA*:

- The *CCAA* is “skeletal in nature” and does not “contain a comprehensive code that lays out all that is permitted or barred.” Thus, *CCAA* decisions are often based on discretionary grants of jurisdiction. Judicial discretion in this regard must be exercised in furtherance of the *CCAA*'s purposes.
- The purpose of the *CCAA* is remedial “in the purest sense” in providing a means whereby the devastating social and economic effects of bankruptcy or creditor-initiated termination of ongoing business operations can be avoided while a Court-supervised attempt to reorganize the financial affairs of the debtor company is undertaken.
- The Court engaged in judicial decision-making under the *CCAA* must “first of all provide the conditions under which the debtor can attempt to reorganize.” This can be achieved by staying enforcement action to allow the debtor's business to continue, preserving the *status quo* while the debtor readies itself to present the restructuring or reorganization plan to creditors, and supervising the process and advancing it to the point where it can be determined whether it will succeed.
- The Court must be cognizant of and weigh all stakeholder interests and the public interest that may come into play in any decision of whether to allow a particular action.

[4] I consider this application against the backdrop of the above principles.

C. Conifer's Position

[5] Conifer seeks this Order from the Court:

- requiring Razor to pay Conifer all amounts owing under the OOA for the post-filing period;
- requiring Razor to pay Conifer all post-filing amounts owed by Razor to CNRL that CNRL intends to seek from Conifer;

- that such payments be made in priority to any other creditors of Razor and be paid by September 20, 2024 (coinciding with the date that the Corporate Transaction is supposed to be signed); and
- that Conifer be granted a charge against Razor’s property to secure the post-filing amounts, ranking only behind the administration charge and directors’ charge, or a declaration of constructive trust against Razor’s property, for the post-filing amounts. (This appears to be alternative relief to a Court Order for an immediate in-full cash payment.)

[6] As justification for the relief sought, Conifer says:

- The amounts are owed by Razor to Conifer under the OOA.
- Both s 11.01 of the *CCAA*, as an exception to the stay provision, and para 19 of the Amended and Restated Initial Order (ARIO) permit Conifer to require immediate payment from Razor for post-filing amounts.
- Conifer notes that Razor is paying certain partners and service providers their post-filing invoices but not Conifer, resulting in Conifer facing risk while those other creditors receive ongoing payment, contrary to the spirit of insolvency legislation as expressed in *Québec Inc v Callidus Capital Corp*, 2020 SCC 10 at para 75.
- The Court has broad jurisdiction under section 11 of the *CCAA* to make the Order sought. When assessed against the policy objectives of the *CCAA*, Conifer notes the purpose of the *CCAA* is not to disadvantage creditors but rather to provide a constructive solution for all stakeholders and where all stakeholders are treated as advantageously and fairly as circumstances permit: *Sun Indalex Finance, LLC v United Steelworkers*, 2013 SCC 6 at para 205.
- Under its inherent powers, the Court can create a security interest for creditors who supply goods and services to the debtor after the filing of a *CCAA* petition and can provide for the priority and ranking of such a security interest with respect to other security holders: *Arrangement relatif à Gestion Éric Savard inc*, 2019 QCCA 1434 at paras. 17-24; Houlden, Morawetz and Sarra, *The 2024 Annotated Bankruptcy and Insolvency Act*, Toronto: Thomson Carswell, 2024, pp. 1464-1465, commenting on *Re Smoky River Coal Ltd*, 2000 ABQB 621, aff’d in 2001 ABCA 209.
- Further, or in the alternative, the Court may declare a constructive trust in respect of the supplier’s entitlement to be paid for post-filing goods and services provided under an executory contract: *General Motors Corporation v Peco, Inc.*, 2006 CanLII 4758 at paras. 17-31.

[7] In its brief at paragraph 41, Conifer invoked s 11.4 the *CCCA*, which provides the Court the ability to declare a charge in favor of a “critical supplier” but did not press that position during the hearing. The evidence before me was that Razor was carrying on business without support from Conifer and Conifer was not cutting off services completely only because of the configuration of the infrastructure and its obligations to other parties. In this sense, Conifer was not a critical supplier of Razor.

[8] CNRL appeared by counsel at the hearing. No argument was made on its behalf regarding whether the Orders sought should be granted or not. Counsel confined his remarks to saying that if the Court was inclined to grant the Orders in favour of Conifer, then payment of the amounts earmarked for reallocated obligations by CNRL should be paid directly to CNRL. Counsel for CNRL also suggested that if Conifer was successful, then one might expect CNRL and other operators involved with Razor to make the same application.

D. Razor's position

[9] In response, Razor submits the following:

- The OOA between Conifer and Razor provides the remedies for breach and non-payment. The Court should not be rewriting the OOA by giving Conifer new remedies and rights, nor does the *CCAA* confer jurisdiction on the Court to do so: *Allarco Entertainment Inc, Re*, 2009 ABQB 503 at paras 52-54. (As noted, Conifer is presently exercising the existing right of set-off.)
- Enforcement of the post-filing amounts remain stayed. No application has been made to lift the stay. The remedy inherent in s 11.01 is not an Order for payment but rather stoppage of supply.
- The Court should remain alive to the principle that the *status quo* should be maintained until a conclusion is reached under the *CCAA*. Accordingly, there is no basis for Conifer to obtain the Court's assistance to either improve its position by enhancing priority or effect collection of amounts owing: *Agro Pacific Industries Ltd, Re*, 2000 BCSC 879 at para 17.
- Case law establishes that s 11.01 must be construed narrowly. In order for a creditor to fit within the exception to the stay of proceedings found in s 11.01, the creditor must be compelled by *CCAA* Order to continue supply of services during the post-filing period. The *quid pro quo* for this compulsion is the statutory obligation for the debtor to continue paying on a current basis during the post-filing period: *Smith Brothers Contracting Ltd (Re) (Trustee of)*, 1998 CanLII 3844 (BCSC) at para 14; *Royal Bank v Cow Harbour Construction Ltd*, 2012 ABQB 59.
- The granting of Conifer's application in either form, says Razor, would basically sound the death knell for the Corporate Transaction. Razor says that it is insolvent and lacks the ability to pay Conifer as requested in the application. Further, the granting of a priority charge to Conifer would make the Corporate Transaction untenable. There is no reason to elevate Conifer's position at the expense of all remaining creditors standing to benefit if the Corporate Transaction is concluded.

[10] Razor was supported in its opposition to the application by Arena Investors LP, one of Razor's secured creditors, and by Big Lakes County and the Municipal District of Greenview. The two municipalities, among others, are owed municipal taxes on a priority basis. All of these objecting parties echo that Conifer seeks to improperly elevate its priority status either by actual payment before anyone else or the granting of a priming charge, to the prejudice of other creditors.

[11] Arena's counsel submitted that Conifer's post-filing claim is unsecured or at best forms the basis of an Operator's Lien, still subordinate to Arena's security: *Cansearch Resources Ltd v Regent Resources Ltd*, 2017 ABQB 535 at para 42. Arena also contends that a single post-filing creditor should not be allowed to determine the fate of the entire *CCAA* proceeding: *Essar Steel Algoma Inc, Re*, 2016 ONSC 6459 at para 26. Finally, with regard to constructive trust, Arena's counsel says that even if enrichment of Razor and deprivation on Conifer's part are made out, there is a juristic reason not to pay Conifer and that is the *CCAA*.

E. Does Section 11.01 apply?

[12] I accept that s 11.01 must be construed narrowly *per Smith Brothers* and *Cow Harbour*. Yamauchi J noted at para 16 of the latter case:

While a debtor corporation is proceeding through the *CCAA* restructuring process, it must still carry on its business. It hardly seems fair to require a person to continue to supply the debtor corporation with goods or services, or to allow the debtor corporation to continue to use leased property, without that person being compensated for those goods, services or use. Section 11.01(a) of the *CCAA* allows for that compensation.

[13] I understand the sentiment of the unfairness of non-payment when the services are connected to the debtor corporation carrying on business while under the *CCAA*. Here, the evidence before me is that Razor has not asked Conifer to provide services. In fact, Conifer has cut off Razor to the extent it can. All of the gas ostensibly produced by Razor that is processed at the plant is being processed for Conifer's benefit, not Razor's. The only reason the services continue on Razor's account is because of the physical configuration of the system infrastructure and Conifer's obligations to other parties, neither of which Razor control. Indeed, the evidence is that Razor is getting by without any help from Conifer.

[14] I am not ready to say that the *quid pro quo* of compulsion under a *CCAA* Order is required to engage s 11.01 as suggested by Razor but in the least the services being claimed must be at the debtor's request and of some utility to the debtor in conducting its business, even if the claimant is not a "critical supplier" under s 11.4. It is true that the plant continues to be operated and that Razor's interest in the plant may be part of the assets sold in the Corporate Transaction. But Conifer's continued operation of the plant arises not from Razor's request to do so but rather Conifer's obligations to others and its self-interest in the plant's operation.

[15] As the evidence shows, Razor has undergone a process of determining who it needs to pay in order to remain in business and work toward achieving the Corporate Transaction. Examples were given in Mr. Bailey's affidavit of electrical supply and the services of other operators who are processing Razor's gas *and* providing Razor with revenue for use as the *CCAA* proceedings advance. Razor has determined that it does not need Conifer's help to conduct business during the stay period or to advance the Corporate Transaction under the *CCAA*.

[16] To be sure, Conifer is in an unwieldy predicament and that is through no fault of its own. It cannot completely shut off Razor's access and it cannot shut down the plant. Unfortunately for Conifer, it has already taken its best available remedy, which is the set-off. I agree that *if* s 11.01 is engaged then Conifer's remedies under s 11.01 itself are as contained in the OOA or stoppage of supply (if it were possible). Beyond that, Conifer must apply for an Order under s 11 (or s

11.4 if “critical supplier” status was made out). Such an application in either event engages the foundational precepts of decision-making under the *CCAA* discussed above.

F. Monitor’s Report

[17] These points are notable from the Monitor’s Report:

- (at para 24) Razor has sufficient liquidity to remain in business for the duration of the stay. If Conifer were successful in obtaining its Order directing payment of the post-filing arrears by September 20, 2024 Razor would not have the necessary cash flow to remain in business.
- (at para 25) The Monitor’s fifth report and sixth (and current) cash flow statement, and others filed in these proceedings, do not contemplate payment of the post-filing amounts owed to Conifer.
- (at para 28) The Monitor views the Corporate Transaction as the best alternative for all stakeholders as it would avoid a bankruptcy and potentially no recovery for stakeholders.
- (at para 29) The Monitor understands that the estimated proceeds from the Corporate Transaction are expected to be sufficient to pay the post-filing arrears owed to Conifer, not including the deposit of \$680,000 that is requested, which would only be required if Conifer were to reconnect Razor to the system.
- (at para 32) If Conifer were successful in this application, Razor will likely be unable to complete the Corporate Transaction which would result in significant losses for stakeholders, including significant abandonment and reclamation obligations.

[18] I remind myself of the Monitor’s role in these proceedings. The Monitor is a Court officer subject to OSB supervision. The Ontario Court of Appeal summarized the nature of the Monitor’s role in *Ernst & Young Inc v Essar Global Fund Limited*, 2017 ONCA 1014 at para 109, as:

The monitor is to be the eyes and the ears of the Court and sometimes, as is the case here, the nose. The monitor is to be independent and impartial, must treat all parties reasonably and fairly, and is to conduct itself in a manner consistent with the objectives of the *CCAA* and its restructuring purpose. In the course of a *CCAA* proceeding, a monitor frequently takes positions; indeed it is required by statute to do so.

[19] The Monitor’s financial presentation and its statements about the effect of the Corporate Transaction if it comes to fruition (or not) were not controverted by Conifer or any other evidence. Accordingly, I accept what the Monitor in its September 10, 2024 report says about the financial condition of Razor, its liquidity, and the prospects for all of Razor’s stakeholders if the Corporate Transaction is realized or is not.

G. Ruling

[20] Even if Conifer's post-filing claim falls within s 11.01, I am still required to exercise my discretion to make an appropriate Order under s 11 in accordance with the *CCAA*'s overall policy objectives.

[21] In making my ruling, I have regard to the following factors:

- The mere fact that Razor is under the *CCAA* means it is insolvent.
- No provision in the latest cash flow statement, which extends to the end of the current stay, is made for payment to Conifer for any post-filing amounts.
- The granting of Conifer's application in either form would trigger similar applications by CNRL and other operators, which the Court would be hard-pressed (given the precedent set) to deny.
- The Corporate Transaction contemplates full payment of post-filing arrears to both Conifer and CNRL (less only the deposit for future services which would not be required).
- The documentation for the Corporate Transaction is scheduled to be completed and signed as of September 20, 2024, which is a scant day away. Mr. Bailey (Razor's CEO) expresses optimism that the Corporate Transaction will actually come to pass. There is no contrary information before me.
- Conifer is not left dangling indefinitely. There are milestone dates looming: September 20, 2024 for the signing of the Corporate Transaction and October 13, 2024 for the expiry of the current stay.

[22] Based on the evidence before me, I conclude as follows:

- Allowing Conifer's application (and the other similar applications that would inevitably follow) will likely have the effect of causing the Corporate Transaction to collapse.
- In the words of *Century Services*, granting the Order sought would not "provide the conditions" under which Razor can execute on the Corporate Transaction but rather would hasten its bankruptcy or receivership.
- Granting the Order sought would give Conifer an unfair advantage now and in any subsequent bankruptcy or receivership by authorizing a preferential payment and/or artificially elevating its priority position. It would not provide a constructive solution to all stakeholders, only Conifer.
- Granting the Order would in effect permit the interests of a single post-filing creditor to determine the fate of the entire *CCAA* proceeding to the detriment of remaining stakeholders.

[23] In exercising my discretion under the *CCAA*, I remain cognizant of the remedial purpose of the *CCAA* and the requirement to consider broad stakeholder interests. I appreciate the Corporate Transaction, if signed, is still subject to Court approval but, on the basis of the evidence before me, it does represent the best and fairest outcome for all stakeholders.

[24] In the result, I find that Conifer's post-filing claim does not fall within the narrow exception created by s 11.01. Whether it does or not, I would still exercise my discretion against granting the Order for the reasons given above. In consequence, I dismiss Conifer's application.

[25] If the parties/counsel so wish, they may address costs with me within 30 days of the date of this decision by submitting a written submission not longer than two single-spaced pages, excluding exhibits and authorities, and including a draft Bill of costs.

Heard on the 11th day of September, 2024.

Dated at the City of Calgary, Alberta this 19th day of September, 2024.

Douglas R. Mah
J.C.K.B.A.

Appearances:

Keely Cameron and Sarah Aaron, Bennett Jones LLP,
counsel for the Applicant Conifer Energy

Sean Collins, McCarthy Tetrault LLP,
counsel for Razor Energy Corp, Razor Royalties Limited Partnership, Razor Holdings GP
Corp., and Blade Energy Services Corp.

Kelly J. Bourassa, Blakes, Cassels & Graydon LLP,
counsel for the Monitor, FTI Consulting Canada Inc.

Jessica Cameron, Fasken Martineau Dumoulin LLP,
counsel for 405 Dolomite ULC, as agent to certain lenders (Arena Investors LP)

Randal Van de Mosselaer, Osler,
counsel for Canadian Natural Resources Limited

Corey Luda, Brownlee LLP,
counsel for Vulcan County

Michael Swanberg, Reynolds Mirth Richards & Farmer LLP,
counsel for Big Lakes County and Municipal District of Greenview

The following parties also attended but did not make submissions

Stacey McPeak, Shores Jardine LLP,
counsel for the Alberta Petroleum Marketing Commission

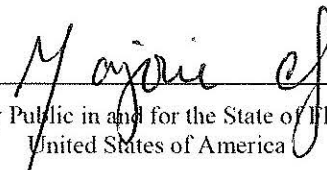
Philip LaFair,
Counsel to Sabre Energy Ltd.

Daniel Segal,
Justice Canada

Marianne Panenka, Department of Justice Canada,
Counsel for Indian Oil and Gas Canada

Kristopher Lensink,
Government of Alberta, Alberta Energy and Mineral Energy Legal Team

This is Exhibit "AA"
Referred to in the Affidavit of
GREGORY WHITE
Sworn before me this 5th day
of November, 2024

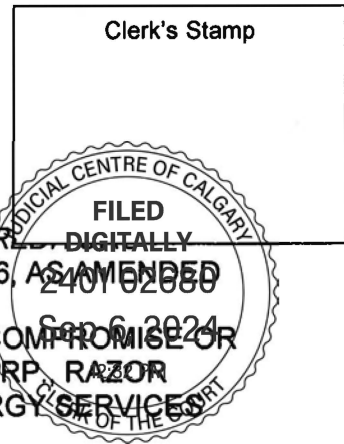


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Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

COURT FILE NUMBER 2401-02680
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



APPLICANTS IN THE MATTER OF THE COMPANIES' CREDIT ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF RAZOR ENERGY CORP., RAZOR HOLDINGS GP CORP., AND BLADE ENERGY SERVICES CORP.

DOCUMENT **AFFIDAVIT #9 OF DOUG BAILEY**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
McCarthy Tétrault LLP
4000, 421 – 7th Avenue SW
Calgary, AB T2P 4K9
Attention: Sean Collins KC / Pantelis Kyriakakis / Nathan Stewart
Tel: 403-260-3531 / 3536 / 3534
Fax: 403-260-3501
Email: scollins@mccarthy.ca / pkyriakakis@mccarthy.ca / nstewart@mccarthy.ca

AFFIDAVIT #9 OF DOUG BAILEY
Sworn on September 6th, 2024

I, Doug Bailey, of the City of Calgary, of the Province of Alberta, **SWEAR AND SAY THAT:**

1. I am the CEO of Razor Energy Corp. ("**Razor Energy**"), Razor Holdings GP Corp. ("**Razor Holdings**"), and Blade Energy Services Corp. ("**Blade**", Razor Energy, Blade, and Razor Holdings, are collectively referred to as, the "**Applicants**"). Razor Energy is the sole limited partner, and Razor Holdings is the sole general partner, of Razor Royalties Limited Partnership ("**Razor Royalties LP**", and collectively with the Applicants, the "**Razor Entities**"). I am also a member of the board of directors of each of the Applicants. I have reviewed the books and records prepared and maintained by the Razor Entities, in the ordinary course of business. I have personal knowledge of the facts and matters sworn to in this Affidavit, except where information was received from someone else or some other source of information, as identified herein. Where the information contained herein was received from another source, I believe such information to be true.

Summary of Relief Sought

2. This Affidavit is sworn in opposition to Conifer Energy Inc.'s ("Conifer") application, seeking, among other things, orders directing Razor to pay Conifer on September 20, 2024: (i) post-filing amounts owing Conifer; and, (ii) post-filing amounts owed by Razor to Canadian Natural Resources Inc. ("CNRL") that CNRL seeks payment of from Conifer, together with a court-ordered charge in favour of Conifer to secure all amounts owing to Conifer with respect to all goods and services provided by Conifer under the CO&O from the date of the initial order subordinate only to the Administration Charge and the Directors' Charge.

Corporate Transaction Status Update

3. On 30, 2024, I met with Mr. Patrick Manuel, the newly appointed CEO of Conifer. At the meeting, I advised Mr. Manuel that Razor Energy and the purchaser under the corporate transaction are negotiating the transaction documents in earnest. At present, there is a well-advanced draft Subscription Agreement that is subject to ongoing discussion between Razor Energy and the corporate offeror. As at today's date, there is a structuring matter under active discussion with the Orphan Well Association and CNRL.
4. In any event, of note, is that the current structure of the transaction contemplates payment of Conifer's post-filing claim, other than the \$680,000 deposit as referenced in the Affidavit of Heather Wilkins filed on September 3, 2024. I advised Mr. Manuel of this fact at our meeting noting that Razor Energy would not be able to pay pre-filing amounts and that payment of the post-filing amounts will be facilitated by and paid from the proceeds of the corporate transaction.
5. Mr. Manuel indicated to me that in concept the proposal was acceptable, subject to further details, and that receiving payment of the post-filing claim is a better outcome than that which will be available to Conifer in a receivership.
6. The corporate offeror has advised Razor Energy that definitive documentation must be executed and delivered, subject only to Court approval, by September 20, 2024.
7. Based on my discussions with the corporate offeror, I am reasonably confident that the agreement will be signed and delivered on or before September 20, 2024. In such event, Razor Energy will move promptly to secure a date to have the approval application heard.

22. Despite the Lema Decision, Razor Energy and Conifer were unable to agree upon the security required to secure post-filing operating costs. Therefore, the reconnection work was never completed, and Conifer has not reconnected the access points to the JCGP to allow the JCGP Shut-in Gas to flow.

CASH FLOW STATEMENT

23. The Fifth Report presented the Applicants' cash flow for the period of July 8, 2024, to October 13, 2024 (the "**Sixth Cash Flow Statement**"). A copy of the Sixth Cash Flow Statement is appended hereto as Appendix "A".
24. The Monitor has been monitoring the Applicants' actual cash flow in relation to the Sixth Cash Flow Statement and notes that there have been no material changes in the estimates presented therein. As a result, the Applicants are expected to have sufficient liquidity to make the payments set out in the Six Cash Flow Statement for the duration of the Stay Period. However, the Monitor notes that if Conifer were successful in obtaining an Order directing Razor Energy to repay the Arrears by September 20, 2024, the Applicants would not have the liquidity necessary to do so.
25. The Monitor notes that the Fifth Report and Sixth Cash Flow Statement, and others filed in these CCAA Proceedings, did not contemplate payment of post-filing amounts in respect of the operation of the JCGP. Paragraph 50 in the Monitor's Fifth Report specifically addresses the fact that the Sixth Cashflow Forecast does not contemplate payment of the Post-Filing Arrears.

SALE AND INVESTMENT SOLICITATION PROCESS

26. A summary of the SISP undertaken by the Applicants is included in the Second Monitor's Report dated March 18, 2024. The Monitor has provided updates on the SISP in its Third Report dated April 25, 2024 and its Fourth Report dated May 30, 2024.

27. Since the date of the Fifth Report, the Applicants have continued to take steps to advance their restructuring proceedings under the CCAA including:
- (a) completing the HWN Transaction and collecting the net proceeds;
 - (b) completing the FutEra Transaction and collecting the net proceeds; and
 - (c) continuing to advance the Corporate Transaction, including negotiation of a subscription agreement.
28. The Monitor continues to view the Corporate Transaction as the best alternative in the circumstances for all stakeholders as it would avoid a bankruptcy and potentially zero recovery for the Applicants stakeholders.

USE OF PROCEEDS

29. The Monitor understands that estimated proceeds from the Corporate Transaction are expected to be sufficient to repay the Post-Filing Arrears, based on the estimate provided in Conifer's application materials of \$1.89 million, excluding the \$680,000 operating deposit (which the Monitor understands would only be required if Conifer were to provide re-entry to the JCGP).

PREJUDICE TO OTHER CREDITORS

30. The Monitor understands that CNRL opposes Conifer's request to have a charge for the Arrears to the extent it seeks a charge for arrears owing to Conifer which in any way primes or affects any interest that CNRL has in any of Razor Energy's assets. The Monitor understands CNRL's concern and agrees that granting the charge requested by Conifer over all Property would prejudice CNRL and other creditors. The Monitor understands that Arena Investors, LP, the senior secured lender to the Applicants, and certain municipalities also oppose the relief sought.

CONCLUSIONS

31. The Stay Period is set to expire on October 13, 2024. The Ninth Bailey Affidavit indicates that the corporate offeror has advised Razor Energy that definitive documentation must be executed and delivered, subject only to Court approval, by September 20, 2024.
32. The Monitor expects that the Applicants will utilize the remaining time under the Stay Period to continue to advance the Corporate Transaction. The Sixth Cash Flow Statement indicates that the Applicants have sufficient liquidity for the duration of the Stay Period. However, if Conifer is successful in its application to have the Post-Filing Arrears paid by September 20, 2024, the Applicants will likely not be able to complete the Corporate Transaction resulting in significant losses for the Applicants stakeholders, including the significant abandonment and reclamation obligations.

All of which is respectfully submitted this 10th day of September 2024.

FTI Consulting Canada Inc.,
Licensed Insolvency Trustee in its capacity as
Monitor of Razor Energy Corp., Razor Holdings
GP Corp., and Blade Energy Services Corp., and
not in its personal or corporate capacity.



Name: Dustin Olver, CPA, CA, CIRP, LIT
Title: Senior Managing Director
FTI Consulting Canada Inc.

This is Exhibit "BB"
Referred to in the Affidavit of
GREGORY WHITE
Sworn before me this 5th day
of November, 2024

Marjorie Chavez

Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

[REDACTED]

[REDACTED]

[REDACTED]

From: Collins, Sean F. <scollins@MCCARTHY.CA>
Sent: October-21-24 2:42 PM
To: Jessica Cameron <jcameron@fasken.com>; Kyriakakis, Pantelis <kyriakakis@mccarthy.ca>; Stewart, Nathan <nstewart@mccarthy.ca>
Cc: Scott Sangster <ssangster@fasken.com>
Subject: RE: [EXT] Razor Update [FMD-CANADA.FID3799612]

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Jessica, we are down to the proverbial short strokes on the agreement. While we understand that Arena has been “warmed-up” by management, somewhat, to what will doubtless be a disappointing outcome to them, we should also discuss with you in your capacity as counsel. We will make ourselves available tomorrow.

Thank you,



Sean Collins, KC
Partner | Associé
Bankruptcy and Restructuring | Faillite et restructuration
T: 403-260-3531
C: 403-607-8534
F: 403-280-3501
E: scollins@mccarthy.ca

McCarthy Tétrault LLP
Suite 4000
421 - 7th Avenue SW
Calgary AB T2P 4K9

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From: Jessica Cameron <jcameron@fasken.com>

Sent: Monday, October 21, 2024 12:24 PM

To: Collins, Sean F. <scollins@MCCARTHY.CA>; Kyriakakis, Pantelis <psyriakakis@mccarthy.ca>; Stewart, Nathan <nstewart@mccarthy.ca>

Cc: Scott Sangster <ssangster@fasken.com>

Subject: [EXT] Razor Update [FMD-CANADA.FID3799612]

Hi All,

I am writing to see if there is an update on the status of the Corporate Transaction on the Razor proceedings. With the Company's upcoming filing deadlines next week for approval of that transaction, I would appreciate if Arena has time to review the proposed transaction and specifically the contemplated treatment of the assumption of its debt. I look forward to hearing from you on this. Happy to arrange a call tomorrow or Wednesday if that is easier (I am in a hearing this afternoon).

Best,

Jessica Cameron (She/Her)

Partner

T +1 403 261 9468

jcameron@fasken.com | www.fasken.com/en/Jessica-Cameron

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Fasken Martineau DuMoulin LLP

350 7th Avenue SW, Suite 3400, Calgary, Alberta T2P 3N9



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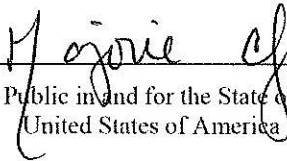
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This is Exhibit "CC"
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GREGORY WHITE
Sworn before me this 5th day
of November, 2024



Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez.
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

From: Jessica Cameron
Sent: October-25-24 2:41 PM
To: scollins@mccarthy.ca
Cc: Scott Sangster
Subject: Razor Energy: Arena Position Updated Solidarity Transaction Structure [FMD-CANADA.FID12888438]
Attachments: 295726223_v(1)_Executed Swan Hills GORR Agreement.pdf

Hi Sean,

Thanks for the call just now. As we discussed, Arena has significant concerns with the new direction the Solidarity transaction is taking. Throughout the entirety of these proceedings, Arena has supported Razor in its efforts to pursue the Solidarity Corporate Transaction on the representations made to it that its debt would be assumed and the GORR interest would remain intact. Arena has spent significant funds extending its support to Razor, to only now be told that neither of these benefits will come to pass and Arena will recover nothing from this transaction. If this outcome would have been conveyed to Arena at the outset, it would not have expended the funds that it has in these proceedings.

I understand that Razor's response is that the economics of the Corporate Transaction have changed. We would therefore respectfully request to see those economics. Can you please provide Arena with:

- 1) The waterfall analysis from the estimated gross sale proceeds arising from the revised Solidarity Corporate Transaction, including the proposed payments to be made to any other creditor or stakeholder of Razor;
- 2) With respect to any creditor or stakeholder proposed to receive a distribution from the gross sale proceeds, the amount of both their pre and post-filing claim against Razor;
- 3) A full operational accounting justifying any proposed payments to be made to Conifer, CNRL, or any other working interest partner from the sale proceeds; and,
- 4) An accounting of the post-filing production revenue generated from the properties encumbered by the GORR referenced in the attached Overriding Royalty Agreement.

I look forward to the receipt of the requested information as soon as possible so that the parties may have the opportunity to work towards a commercial resolution of this issue. If no commercial resolution is possible, my instructions presently are to oppose any application brought by Razor for approval of a transaction that seeks to vest out Arena's interest in the attached GORR.

Best,

Jessica Cameron (She/Her)

Partner

T +1 403 261 9468

jcameron@fasken.com | www.fasken.com/en/Jessica-Cameron

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Fasken Martineau DuMoulin LLP

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GREGORY WHITE
Sworn before me this 5th day
of November, 2024

Marjorie Chavez

Notary Public in and for the State of Florida,
United States of America



Marjorie Chavez
Notary Public
State of Florida
Comm# HH091610
Expires 5/7/2025

	For the week ending Jan 07, 2023	For the week ending Jan 14, 2023	For the week ending Jan 21, 2023	For the week ending Jan 28, 2023	For the week ending Feb 04, 2023	For the week ending Feb 11, 2023	For the week ending Feb 18, 2023	For the week ending Feb 25, 2023
Average Daily Net Production								
Oil (Bbls/day)	2,456	2,417	2,440	2,484	2,532	2,623	2,487	2,390
Gas (Mcf/day)	5,226	5,571	5,737	6,219	6,301	6,676	6,600	6,237
NGLs (Bbls/day)	891	929	749	532	561	599	548	528
Total Daily Net Production (Boe/day)	4,218	4,275	4,145	4,053	4,143	4,335	4,136	3,957
% Oil	58.2%	56.5%	58.9%	61.3%	61.1%	60.5%	60.1%	60.4%

GORR Production

GORR %	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Oil (Bbls/day)	246	242	244	248	253	262	249	239
Gas (Mcf/day)	523	557	574	622	630	668	660	624
NGLs (Bbls/day)	89	93	75	53	56	60	55	53
Total Daily GORR Production (Boe/day)	422	427	414	405	414	434	414	396

For the week ending Mar 04, 2023	For the week ending Mar 11, 2023	For the week ending Mar 18, 2023	For the week ending Mar 25, 2023	For the week ending Apr 01, 2023	For the week ending Apr 08, 2023	For the week ending Apr 15, 2023	For the week ending Apr 22, 2023	For the week ending Apr 29, 2023	For the week ending May 06, 2023	For the week ending May 13, 2023
2,362	2,400	2,415	2,329	2,413	2,385	2,228	2,170	2,179	2,192	2,236
6,484	6,399	6,566	6,549	6,467	6,297	5,746	5,830	5,969	6,178	6,596
499	501	517	448	444	393	387	427	525	504	543
3,941	3,967	4,026	3,868	3,935	3,827	3,572	3,568	3,699	3,726	3,878
59.9%	60.5%	60.0%	60.2%	61.3%	62.3%	62.4%	60.8%	58.9%	58.8%	57.7%

10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
236	240	242	233	241	238	223	217	218	219	224
648	640	657	655	647	630	575	583	597	618	660
50	50	52	45	44	39	39	43	53	50	54
394	397	403	387	394	383	357	357	370	373	388

For the week ending May 20, 2023	For the week ending May 27, 2023	For the week ending Jun 03, 2023	For the week ending Jun 10, 2023	For the week ending Jun 17, 2023	For the week ending Jun 24, 2023	For the week ending Jul 01, 2023	For the week ending Jul 08, 2023	For the week ending Jul 15, 2023	For the week ending Jul 22, 2023	For the week ending Jul 29, 2023
1,226	1,399	2,254	2,211	2,350	2,201	2,232	2,519	2,489	2,402	2,327
5,146	5,475	3,373	3,334	3,661	4,753	6,075	6,044	5,777	5,591	5,295
232	313	796	777	833	805	861	849	842	881	851
2,315	2,624	3,613	3,544	3,793	3,798	4,105	4,375	4,294	4,215	4,061
52.9%	53.3%	62.4%	62.4%	62.0%	58.0%	54.4%	57.6%	58.0%	57.0%	57.3%

10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
123	140	225	221	235	220	223	252	249	240	233
515	547	337	333	366	475	608	604	578	559	530
23	31	80	78	83	80	86	85	84	88	85
231	262	361	354	379	380	411	437	429	422	406

For the week ending Aug 05, 2023	For the week ending Aug 12, 2023	For the week ending Aug 19, 2023	For the week ending Aug 26, 2023	For the week ending Sep 02, 2023	For the week ending Sep 09, 2023	For the week ending Sep 16, 2023	For the week ending Sep 23, 2023	For the week ending Sep 30, 2023	For the week ending Oct 07, 2023	For the week ending Oct 14, 2023
2,431	2,437	2,314	2,260	2,235	2,107	2,075	2,033	1,978	1,988	2,041
5,363	5,297	5,087	4,655	4,755	4,191	4,118	4,695	4,677	4,278	4,159
873	857	864	775	797	725	720	804	769	715	701
4,198	4,177	4,026	3,811	3,824	3,530	3,481	3,620	3,526	3,416	3,435
57.9%	58.3%	57.5%	59.3%	58.4%	59.7%	59.6%	56.2%	56.1%	58.2%	59.4%

10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
243	244	231	226	223	211	208	203	198	199	204
536	530	509	466	476	419	412	470	468	428	416
87	86	86	77	80	72	72	80	77	72	70
420	418	403	381	382	353	348	362	353	342	344

For the week ending Oct 21, 2023	For the week ending Oct 28, 2023	For the week ending Nov 04, 2023	For the week ending Nov 11, 2023	For the week ending Nov 18, 2023	For the week ending Nov 25, 2023	For the week ending Dec 02, 2023	For the week ending Dec 09, 2023	For the week ending Dec 16, 2023	For the week ending Dec 30, 2023	For the week ending Jan 06, 2024
2,342	2,001	2,215	2,188	2,189	2,154	2,160	2,043	2,156	1,699	1,536
4,587	4,537	4,980	5,016	4,920	4,903	4,487	4,444	4,403	3,900	3,976
834	664	800	809	758	772	730	739	727	486	458
3,940	3,421	3,845	3,832	3,767	3,743	3,637	3,522	3,616	2,835	2,656
59.4%	58.5%	57.6%	57.1%	58.1%	57.5%	59.4%	58.0%	59.6%	59.9%	57.8%

10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
234	200	222	219	219	215	216	204	216	170	154
459	454	498	502	492	490	449	444	440	390	398
83	66	80	81	76	77	73	74	73	49	46
394	342	385	383	377	374	364	352	362	283	266

For the week ending Jan 13, 2024	For the week ending Jan 20, 2024	For the week ending Jan 27, 2024	For the week ending Feb 03, 2024	For the week ending Feb 10, 2024	For the week ending Feb 17, 2024	For the week ending Feb 24, 2024	For the week ending Mar 02, 2024	For the week ending Mar 09, 2024	For the week ending Mar 16, 2024	For the week ending Mar 23, 2024
1,443	1,438	1,634	1,560	1,564	1,548	1,484	1,408	1,427	1,562	1,562
3,741	3,606	3,755	3,955	3,916	3,899	3,888	3,708	3,643	3,886	3,886
464	426	396	415	420	434	442	416	422	430	430
2,531	2,466	2,656	2,635	2,637	2,631	2,573	2,442	2,456	2,639	2,639
57.0%	58.3%	61.5%	59.2%	59.3%	58.8%	57.7%	57.6%	58.1%	59.2%	59.2%

10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
144	144	163	156	156	155	148	141	143	156	156
374	361	376	395	392	390	389	371	364	389	389
46	43	40	42	42	43	44	42	42	43	43
253	247	266	263	264	263	257	244	246	264	264

For the week ending Mar 30, 2024	For the week ending Apr 06, 2024	For the week ending Apr 13, 2024	For the week ending Apr 20, 2024	For the week ending Apr 27, 2024	For the week ending May 04, 2024	For the week ending May 11, 2024	For the week ending May 18, 2024	For the week ending May 25, 2024	For the week ending Jun 01, 2024	For the week ending Jun 08, 2024
1,523	1,455	1,428	1,528	1,499	1,529	1,438	1,413	1,390	1,454	1,413
3,820	3,496	3,397	3,559	3,633	3,526	3,535	3,456	3,287	3,269	3,874
424	369	350	372	374	353	350	355	339	349	435
2,583	2,407	2,344	2,493	2,478	2,470	2,377	2,344	2,278	2,348	2,493
58.9%	60.5%	60.9%	61.3%	60.5%	61.9%	60.5%	60.3%	61.0%	61.9%	56.7%

10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
152	146	143	153	150	153	144	141	139	145	141
382	350	340	356	363	353	354	346	329	327	387
42	37	35	37	37	35	35	36	34	35	44
258	241	234	249	248	247	238	234	228	235	249

For the week ending Jun 15, 2024	For the week ending Jun 22, 2024	For the week ending Jun 29, 2024	For the week ending Jul 06, 2024	For the week ending Jul 13, 2024	For the week ending Jul 20, 2024	For the week ending Jul 27, 2024	For the week ending Aug 03, 2024	For the week ending Aug 10, 2024	For the week ending Aug 17, 2024	For the week ending Aug 24, 2024
1,388	1,372	1,420	1,410	1,375	1,354	1,259	1,289	1,259	1,236	1,238
3,800	3,647	3,871	3,832	3,930	3,921	3,799	3,613	3,654	3,534	3,377
401	381	406	402	400	424	394	373	376	361	342
2,423	2,360	2,471	2,451	2,431	2,431	2,286	2,264	2,245	2,185	2,143
57.3%	58.1%	57.5%	57.6%	56.6%	55.7%	55.1%	56.9%	56.1%	56.5%	57.8%

10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
139	137	142	141	138	135	126	129	126	124	124
380	365	387	383	393	392	380	361	365	353	338
40	38	41	40	40	42	39	37	38	36	34
242	236	247	245	243	243	229	226	224	219	214

For the week ending Aug 31, 2024	For the week ending Sep 07, 2024	For the week ending Sep 14, 2024	For the week ending Sep 21, 2024	For the week ending Sep 28, 2024	For the week ending Oct 05, 2024	For the week ending Oct 12, 2024	For the week ending Oct 19, 2024	For the week ending Oct 26, 2024
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1,173	1,221	1,227	1,180	1,079	1,155	1,201	995	1,074
3,317	3,114	3,018	2,897	2,801	2,784	2,859	2,726	2,891
331	306	290	274	269	276	278	239	265
2,056	2,046	2,020	1,936	1,815	1,895	1,956	1,688	1,822
57.0%	59.7%	60.7%	60.9%	59.5%	60.9%	61.4%	58.9%	59.0%

10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
117	122	123	118	108	116	120	99	107
332	311	302	290	280	278	286	273	289
33	31	29	27	27	28	28	24	27
206	205	202	194	181	190	196	169	182