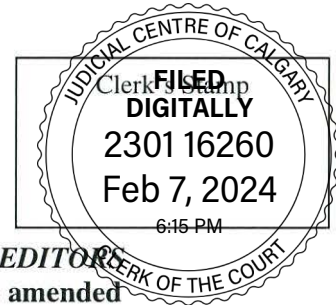


COURT FILE NUMBER **2301-16260**

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 FREE REIN RESOURCES LTD.**

APPLICANT **INVICO DIVERSIFIED INCOME LIMITED
PARTNERSHIP by its general partner INVICO
DIVERSIFIED INCOME MANAGING GP INC.**

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

FASKEN MARTINEAU DUMOULIN LLP
#3400 – 350 7th Avenue SW
Calgary, AB T2P 3N9

Attention: Robyn Gurofsky / Anthony Mersich
Telephone: (403) 261 9469 / (587) 233 4124
Email: rgurofsky@fasken.com / amersich@fasken.com
File Number 324505.00011

AFFIDAVIT #3 OF CHRIS WUTZKE

Affirmed on February 2, 2024

I, Chris Wutzke, of Calgary, Alberta, AFFIRM AND SAY THAT:

1. I am the Chief Investment Officer of Invico Diversified Income Limited Partnership (“**Invico**”). As such, I have personal knowledge of the matters deposed herein, except where such matters are stated to be based on information and belief, and where so stated, I believe same to be true.
2. I am authorized to swear this Affidavit on behalf of Invico.

I. RELIEF SOUGHT

3. I swear this Affidavit in support of an application by Invico for the approval of a transaction pursuant to a transaction approval and reverse vesting order (“**RVO**”) granting, among other things, the following relief:
- (a) approving the term sheet and subscription agreement (the “**RVO Transaction Documents**”) and the transaction contemplated thereby (the “**Transaction**”) for the sale of Free Rein shares to Invico or its nominee;
 - (b) authorizing and directing the Monitor to execute the necessary RVO Transaction Documents on behalf of Free Rein and to consummate the Transaction on the terms set out in the RVO Transaction Documents;
 - (c) authorizing the Monitor to cancel or redeem Free Rein’s existing shares for no consideration and to issue new shares of Free Rein in favour of Invico or its nominee;
 - (d) vesting the Transferred Assets and Transferred Liabilities (each defined in the RVO Transaction Documents) in a residual trust (the “**Residual Trust**”) for the benefit of certain of Free Rein’s creditors;
 - (e) declaring that all claims and encumbrances in respect of Free Rein and its Property, other than the Retained Liabilities (as defined in the RVO Transaction Documents), shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to the Effective Time (as defined in the RVO Transaction Documents);
 - (f) declaring that all claims and encumbrances other than the Retained Liabilities shall be irrevocably and forever expunged and discharged as against Invico or its nominee, Free Rein and the Retained Assets; and
 - (g) removing Free Rein from the CCAA proceeding and replacing it with the Residual Trust.

II. BACKGROUND

A. *Free Rein Business*

4. The history of Free Rein’s business and Invico’s involvement as Free Rein’s lender is set out in my Affidavit sworn December 4, 2023 in these Proceedings (the “**First Wutzke Affidavit**”) and my Affidavit sworn January 15, 2024 in these Proceedings (the “**Second Wutzke Affidavit**”). This

Affidavit is intended to supplement the First Wutzke Affidavit and Second Wutzke Affidavit and to provide additional information relevant to the Transaction.

5. Unless otherwise defined herein, capitalised terms used herein shall have the same meaning as the First Wutzke Affidavit or the Second Wutzke Affidavit.

B. The SISP under the NOI Proceedings

6. As noted in the First Wutzke Affidavit, Free Rein conducted a sale and investment solicitation process (“**SISP**”) beginning in late August of 2023, which was supervised by FTI in its capacity as proposal trustee.
7. I understand from reviewing the Fourth Report of the Proposal Trustee in the NOI Proceeding, dated November 17, 2023 (the “**Trustee’s Fourth Report**”), that 23 parties executed non-disclosure agreements for the SISP and were granted access to Free Rein’s virtual data room. Nine parties submitted non-binding LOIs by the Phase 1 Bid Deadline (including the stalking horse bid submitted by Invico). Of the parties that submitted non-binding LOIs, six were determined by the Proposal Trustee and Free Rein to be qualified bidders that were permitted to conduct further due diligence, with a view to submitting a binding formal offer before the Phase 2 Bid Deadline of November 6, 2023.
8. I also understand from reviewing the Trustee’s Fourth Report and through discussions with the Proposal Trustee, that two formal offers were received, outside of the Stalking Horse Term Sheet, on or before the Phase 2 Bid Deadline. One such offer was from a group led and organized by Mr. McCallum. Attached hereto as **Exhibit “A”** is a copy of the Trustee’s Fourth Report.
9. The SISP has concluded, and the proposed Transaction represents the highest offer and is the only remaining option for the sale of Free Rein’s business or assets. Further, although a third party offer would be desirable from Invico’s perspective, given that Free Rein has been forced to shut-in its gas wells and flare the associated gas from its oil production due to the Tidewater Gas Plant’s closure, I consider it very unlikely that a higher offer will materialize in the near term.
10. As a result, I believe that:
 - (a) The Transaction is the highest, and therefore the best, offer for Free Rein’s business and assets (in this case through a share transaction);

- (b) sufficient effort to sell Free Rein's business and assets was made by Free Rein and the Proposal Trustee;
- (c) the SISP was conducted efficiently, with integrity, provided sufficient exposure of Free Rein's business and assets to the marketplace, and it is unlikely that further marketing efforts would achieve a better result than the Transaction;
- (d) the SISP has taken into account the interests of all parties;
- (e) there has been no unfairness in the SISP or the negotiation of the Subscription Agreement; and
- (f) the price to be paid for Free Rein's business and assets is fair and reasonable in the circumstances.

C. *Current State of the O&G Assets*

11. As noted above and in the Second Wutzke Affidavit, all of Free Rein's producing oil and gas assets (the "O&G Assets") were shut-in on or around November 30, 2023 as a result of the Force Majeure Notice from Tidewater.
12. On or about December 18, 2023, Free Rein received permission from the Alberta Energy Regulator ("AER") for emergency flaring of gas produced from its oil production, enabling Free Rein to produce and sell its oil production. Free Rein's gas assets remain shut-in. The oil production represents approximately one-third of Free Rein's October 2023 production (on a barrel equivalent basis). Further, the permission to flare gas is temporary and may be revoked at any time. As a result, a longer term production plan is required for Free Rein's oil and gas production.
13. Invico's representatives have contacted Tidewater requesting additional information regarding any plans it may have to restart the Tidewater Gas Plant in order to resume gas production; however, no additional information has been provided to date.
14. Approximately 40% of Free Rein's gas production contains sour gas, which requires specialized infrastructure for transportation and processing. The only infrastructure in the region surrounding the O&G Assets that is capable of transporting Free Rein's gas production, leads to the Tidewater Gas Plant. As a result, there are currently no practical alternative processing facilities available to accept Free Rein's gas production.

15. Additional facilities and infrastructure must be installed, and capital expended, to permit Free Rein's gas production to be processed at another nearby facility, before Free Rein can resume gas production.

III. THE PROPOSED TRANSACTION

A. The Term Sheet and Subscription Agreement

16. Following the commencement of these CCAA proceedings, Invico negotiated a binding subscription agreement (the "**Subscription Agreement**") in respect of shares of Free Rein, with the Monitor. The Subscription Agreement provides that the number of shares to be issued is floating, but that the Share Purchaser (being Invico or its nominee) will hold all of the issued and outstanding common shares of Free Rein at closing.
17. A copy of the Subscription Agreement is attached hereto as **Exhibit "B"**. The key terms are as follows:
 - (a) The Share Purchaser will purchase newly issued shares of Free Rein for a subscription amount equal to the Purchase Price (as defined in the Subscription Agreement);
 - (b) the purchase of the Free Rein shares, and retention of the Retained Assets and Retained Liabilities (each as defined below), will be on an "as is, where is" basis;
 - (c) all of the presently issued and outstanding common shares of Free Rein will be cancelled for nominal consideration;
 - (d) the Subscription Agreement is conditional upon an RVO being entered by the Court and becoming a final order, no longer subject to appeal, reversal or stay by no later than March 15, 2024 or such other date as may be agreed between the Monitor and the Share Purchaser.
18. The proposed RVO would have the effect of approving the creation of the Free Rein Asset Residual Trust (the "**Residual Trust**") to be administered by the Monitor. Pursuant to the proposed RVO, certain assets and liabilities of Free Rein will be transferred to the Residual Trust on the closing of the Transaction (the "**Transferred Assets**" and the "**Transferred Liabilities**", respectively) and certain assets and liabilities will be retained by Free Rein (the "**Retained Assets**" and the "**Retained Liabilities**", respectively) after closing the Transaction;
19. The Retained Assets are:

- (a) The O&G Assets, being all of the oil and gas assets owned by Free Rein, including but not limited to wells, facilities pipelines, and any assets related thereto;
- (b) All land and joint venture leases, contracts, records and schedules, with the exception of the joint venture agreements related to the disposal well at 13-23-51-27W4 site;
- (c) All geological and/or seismic data, in whatever form, owned by Free Rein;
- (d) Computer equipment and office technology, such as printers, video conferencing equipment, etc., and any software or data contained thereon;
- (e) All licenses for software, whether computer or cloud based;
- (f) All agreements and assets related to a project proposed by Free Rein to develop a new Carbon Hub for Alberta, including all work product, files and data prepared for Free Rein by Mike Monea and Dr. Chris Galas, represented by Free Rein to be the Director of Carbon Capture and the Director of Carbon Storage, respectively;
- (g) All agreements and assets related to a project proposed by Free Rein to supply hydrogen to the transportation sector, including an MOU with the Alberta Motor Transport Association and AER approval for a waterflood project and financing;
- (h) all organizational documents, corporate books and records, income tax returns and the corporate seal, if any, of Free Rein;
- (i) Internal programs, policies or systems associated with regulatory and operations of oil and gas assets (i.e. safety programs, ERP, spill co-ops, etc.);
- (j) Any pre-paid insurance policies protecting against loss of assets or liability for damages, including but not limited to commercial and directors and officers insurance policies;
- (k) Any security posted or held by the AER for or in the name of Free Rein, including interest accrued thereon (the “**AER Security**”);
- (l) Licenses issued in respect of the O&G Assets (the “**Licenses**”);
- (m) all regulatory and license attributes of Free Rein, including without limitation: business numbers, payroll numbers, GST numbers and AER operator codes;

- (n) non-capital losses, tax pools and other tax attributes;
- (o) all assets and environmental permits and licenses related to disposal well at the 13-23-51-27W4 site and a waste management facility (constructed under AER WM 221) that began operations November 2021;
- (p) any and all rights of the Company under this Subscription Agreement and the Reverse Vesting Order;
- (q) Any claims or causes of action available to Free Rein; and
- (r) Such other assets as may be identified in the development of the definitive documents.

20. The Retained Liabilities are:

- (a) All liabilities associated with the Invico Secured Debt;
- (b) all new liabilities incurred, assumed or accepted by Free Rein after closing;
- (c) any and all regulatory, environmental and government liabilities related to the O&G Assets and the Licenses; and
- (d) Any further liabilities that may be identified in the definitive documents.

21. The Transferred Assets are:

- (a) the Cash Component of the Purchase Price; and
- (b) any and all other assets or interests of Free Rein other than the Retained Assets;

22. The Transferred Liabilities are:

- (a) any and all claims, including trade claims, other unsecured claims, contingent or otherwise, and any secured claims secured by security, but excluding any liabilities arising on a post-filing basis and excluding any liabilities owed to Invico Diversified Income Limited Partnership;

- (b) any actual or contingent liabilities of the Company as related to Court of King's Bench of Alberta Action Number 2301-00682 as between 1591195 Alberta Ltd. and Puravida Exploration Inc. as plaintiffs and the Company as defendant;
- (c) any actual or contingent liabilities of the Company as related to Court of King's Bench of Alberta Action Number 2102-08152 as between 1591195 Alberta Ltd. and Puravida Exploration Inc. as plaintiffs and Newgrange Energy Inc. and Terry McCallum as defendants;
- (d) any Gross Overriding Royalty issued to "Shareholders" and registered at the Mines and Minerals Registry against the Company's interests, including as against:
 - (i) Well 100/06-26-051-27W4/02;
- (e) the Royalty Agreement dated October 30, 2018 between the Company and Newgrange Energy Inc.;
- (f) the Royalty Agreement dated June 29, 2018 between Newgrange Energy Inc. and Puravida Exploration Inc., where applicable;
- (g) the Royalty Agreement dated June 29, 2018 between Newgrange Energy Inc. and 1591195 Alberta Ltd., where applicable;
- (h) to the extent it remains in force, the Joint Venture Agreement made as of the 1st day of March 2023 between the Company and Legacy Disposal Facility Ltd.;
- (i) to the extent they remain in force, the memorandum of understanding dated May 1, 2020 and the joint venture agreement dated June 1, 2020, each between the Company and Nucor Environmental Solutions Ltd., and any claims against the Company arising therefrom;
- (j) any and all promissory notes issued by the Company;
- (k) any and all operating and tax liabilities related to the Transferred Assets;
- (l) any and all operating liabilities to the extent they are trade claims, trade payables, utility bills or other unsecured claims, and excluding any amounts that would constitute a priority claim on or against any Retained Assets;

- (m) any and all liabilities associated with shareholder loans to the Company;
 - (n) any and all trade claims, trade payables or other unsecured claims;
 - (o) any and all liabilities relating to any employment agreements, severance payments and/or termination payments; and
 - (p) the Administration Charge as described and defined in the ARIO and any subsequent orders of the Court.
23. The Excluded Liabilities will retain the same priority they have against Free Rein as against the Residual Trust as at the date that the Transaction certificate is filed, including the charges created under the Initial Order and the ARIO.
24. A summary of the Transaction and the Subscription Agreement is provided in the Term Sheet attached hereto as **Exhibit "C"**.
25. The Transaction provides additional value to the estate and its stakeholders that would not be possible without the use of an RVO structure. The benefits of the Transaction are that:
- (a) Free Rein will exit the CCAA proceedings as a going concern and retain responsibility for the ongoing environmental obligations associated with the O&G Assets;
 - (b) The licenses for the O&G Assets will not be subject to transfer approval, which I understand can be highly uncertain in insolvency situations, can take a significant amount of time, and therefore could add risk to a transaction;
 - (c) Certain of Free Rein's tax attributes will be preserved, to the extent possible;
 - (d) Free Rein will continue to honour certain contracts identified as retained assets or retained liabilities; and
 - (e) Free Rein will continue to employ, as employees or independent contractors, several individuals considered important to the continued operation of Free Rein's O&G Assets and business.
26. These benefits are not necessarily maintained or preserved if the Transaction is pursued by way of a traditional asset sale. In particular, the transfer of regulatory licenses that would be required in an

asset transaction is uncertain, which is problematic in the circumstances given the limited available funding in Free Rein's estate. Further, the tax attributes would not be preserved in an asset transaction. While the value of such attributes is considered minimal in the circumstances, and is highly dependant upon Free Rein generating positive cash flow, it is important to Invico that whatever attributes exist, be preserved to the extent possible.

27. As discussed above and in the First Wutzke Affidavit, because of the Force Majeure Notice, all of Free Rein's oil and gas production had to be shut in as of December 1, 2023. More recently, in late December 2023, limited oil production resumed as a result of the grant of the temporary flaring permit by the AER. Still, Free Rein's ability to generate revenue is materially constrained for an unknown period of time. Significant and costly investment in Free Rein's infrastructure is required in order for Free Rein to restart its gas production.
28. As a result, Invico would not pursue the Transaction without the benefits that my counsel advises accompany the RVO structure, since Invico would effectively be acquiring significant known liabilities associated with the O&G Assets without any certainty that the O&G Assets would ever be properly conveyed or be able to generate sufficient revenue to justify their cost.
29. If the Transaction was not to proceed, then the only other path available is to assign Free Rein into bankruptcy. If this were to take place, the most likely result would be that Invico would suffer a substantial loss, the O&G Assets and their associated environmental liabilities would likely be transferred to the Orphan Well Association, and several individuals would lose their employment with Free Rein. By implementing the Transaction through the RVO structure, this social burden is avoided.

B. *The Residual Trust*

30. The Transaction also contemplates that that the RVO will settle the Residual Trust for the benefit of Free Rein's creditors. Key terms of the settlement are as follows:
 - (a) the Residual Trust will be settled by the delivery of the Transaction purchase price (the "**Settlement Funds**") by the Share Purchaser to the Monitor;
 - (b) the Monitor is proposed as the trustee of the Residual Trust and will hold the Settlement Funds and the Transferred Assets (the "**Trust Assets**") in trust for the benefit of creditors with Transferred Liabilities (the "**Trust Beneficiaries**");

- (c) the Residual Trust will come into existence on the closing of the Transaction and will terminate automatically three months after closing of the Transaction, unless the Monitor extends the term on notice to the Court and interested parties, no later than 30 days prior to such termination;
 - (d) the Trust Beneficiaries will retain the same priorities, rights and entitlements against the Trust Assets as they had against Free Rein immediately prior to the closing of the Transaction; and
 - (e) the Monitor will be compensated for its reasonable fees and disbursements, including those of its counsel, from the Settlement Funds and, along with its employees and representatives, will be indemnified by the Residual Trust against any and all losses, cost and damages arising from the affairs of the Residual Trust, except as a result of gross negligence or wilful misconduct.
31. The administration of the Residual Trust will remain subject to the Court's oversight and these CCAA proceedings. On the closing of the Transaction, Free Rein will be replaced in the CCAA proceedings with the Residual Trust.
32. The Monitor is required to report to the Court in due course on the administration of the Residual Trust.

IV. EXCLUDED LIABILITIES

A. *The GORRs*

33. I understand from my review of Free Rein's mineral property report, and through Invico's dealings with Free Rein, that Free Rein has granted various gross overriding royalties ("**GORRs**") in respect of its mineral interests. Attached hereto as **Exhibit "D"** is a copy of Free Rein's mineral property report dated October 16, 2023.
34. In particular, Free Rein has granted GORRs in favour of the following parties:
- (a) Newgrange Energy Inc. ("**Newgrange**" and such GORR being the "**Newgrange GORR**");
 - (b) "Shareholders" (such GORR being the "**Shareholder GORR**");
 - (c) New Star Energy Ltd.; and

(d) PrairieSky Royalty Ltd.

35. Invico, through its counsel, has reviewed each of the GORRs and based on these evaluations, Invico is asking the court to vest off and transfer the Newgrange GORR and the Shareholder GORR (the “**Excluded GORRs**”) to the Residual Trust as Excluded Liabilities. Invico seeks this relief, as these GORR are effectively grants of longer term economic interests to related parties, they make the assets uneconomical and as further set out below, do not represent the type of royalty typically granted in the oil and gas context.

The Newgrange GORR

36. On or around December 4, 2023, Free Rein provided Invico with copies of agreements relating to Free Rein’s O&G Assets in the Goldenspike area (the “**Goldenspike Assets**”). At this time, Free Rein advised Invico that it acquired the Goldenspike Assets from Newgrange. I understand Newgrange is a corporation that is solely owned by Mr. McCallum, and for which Mr. McCallum is the sole director. Attached hereto as **Exhibit “E”** is a copy of the corporate registry search result for Newgrange.

37. Free Rein also advised that Newgrange, in turn, had acquired the Goldenspike Assets through the receivership proceedings of Questfire Energy Corp. (“**Questfire**”) pursuant to an asset purchase agreement dated effective April 1, 2018 (the “**Questfire Receivership APA**”). I am advised by Invico’s legal counsel, Robyn Gurofsky at Fasken Martineau DuMoulin LLP, that the Questfire Receivership APA was approved by an approval and vesting order dated June 13, 2018 in Questfire’s receivership proceeding (the “**Questfire AVO**”). Copies of the Questfire Receivership APA provided by Free Rein, and the Questfire AVO are attached hereto as **Exhibits “F” and “G”** respectively.

38. The Questfire Receivership APA indicates that Newgrange paid a total purchase price of \$250,000 for the Goldenspike Assets. I have been advised by Shaun Addison (“**Mr. Addison**”), who was a geologist with Newgrange and then with Free Rein, and by Trevor Dublonko (“**Mr. Dublonko**”), Vice President of Operations with Free Rein, that the funds to pay the purchase price under the Questfire Receivership APA were provided by Mr. Addison, Andy Prefontaine, who was a land consultant with Newgrange and then with Free Rein, and Darwin Little, who was a business associate of Mr. McCallum. Mr. McCallum had borrowed \$250,000 from Mr. Little which Mr. McCallum then used to complete the cash consideration paid to acquire the Goldenspike Assets. Thus, Messrs. Addison, Prefontaine and McCallum contributed \$50,000, \$75,000 and \$125,000,

respectively, with McCallum's contribution having been provided via a \$250,000 loan from Mr. Little.

39. I have been further advised by Mr. Dublonko that during the summer of 2018, following Newgrange's acquisition of the Goldenspike Assets, Newgrange attempted to sell the Goldenspike Assets subject to a GORR in Newgrange's favour, to arm's-length third parties. However, those attempts were ultimately unsuccessful.
40. I have been further advised by Mr. Dublonko that on or around June 29, 2018, as consideration for funds advanced by Messrs. Addison and Prefontaine as described above, Newgrange granted a 1.0% GORR in favour of Puravida Exploration Inc. ("**Puravida**", and such GORR being the "**Puravida GORR**") and granted a 1.5% GORR in favour of 1591195 Alberta Ltd. ("**159**" and such GORR being the "**159 GORR**") in respect of the lands that formed the Goldenspike Assets (the "**Goldenspike Lands**"). Puravida is a company that is owned by Mr. Addison. 159 is a company that is owned by Mr. Prefontaine. Attached hereto as **Exhibits "H" and "I"** are the agreements in respect of the Puravida GORR and the 159 GORR. Attached hereto as **Exhibits "J" and "K"** are copies of search results of Alberta's corporate registry in respect of Puravida and 159, respectively.
41. Neither the Puravida GORR nor the 159 GORR are listed in Free Rein's mineral property report. Further, I have been advised by Mr. Dublonko that Free Rein had made payments to Puravida or 159 in connection with their respective GORRs, but then ceased making those payments due to the absence of a contractual relationship between Free Rein and Puravida and between Free Rein and 159, respectively, as the GORRs had been granted by Newgrange rather than Free Rein.
42. Invico was unaware of the existence of the Puravida GORR and the 159 GORR until it began conducting its review of Free Rein's books and records as part of the NOI Proceedings and then these CCAA proceedings.
43. I have been further advised by Mr. Dublonko that, as a result of being unable to find a willing arm's length purchaser for the Goldenspike assets, Mr. McCallum and Newgrange sought to transfer the Goldenspike Assets to a non arm's length purchaser, while retaining a GORR in Newgrange's favour.
44. I am advised by Mr. Dublonko that in or around the fall of 2018, Mr. McCallum approached Ed Jakubowsky ("**Mr. Jakubowsky**") who, at the time, was the sole shareholder and director of Free

Rein. At that time, Free Rein had no producing oil and gas assets, and Mr. Jakubowsky was considering winding down the company. However, given that Free Rein held an operator's licence and a BA Code with the AER, Newgrange determined that it would be simpler and more cost effective for Free Rein to act as the purchaser of the Goldenspike Assets rather than forming a new company for the purpose of acquiring the Goldenspike Assets, since that would entail obtaining new permits and approvals for the newly formed company.

45. Newgrange and Free Rein ultimately consummated the transaction for the Goldenspike Assets pursuant to an asset purchase agreement dated effective November 1, 2018 (the "**Free Rein/Newgrange APA**") between Free Rein as purchaser and Newgrange as vendor. Under the Free Rein/Newgrange APA, Free Rein paid Newgrange \$750,000 and granted a 5% gross overriding royalty (i.e. the Newgrange GORR) on all production from the lands in the Goldenspike Assets (the "**Goldenspike Lands**"). A copy of the Free Rein/Newgrange APA is attached hereto as **Exhibit "L"**.
46. The Free Rein/Newgrange APA states that a royalty agreement creating the Newgrange GORR is attached at Schedule "C" (the "**Newgrange Royalty Agreement**"). The version of the Free Rein/Newgrange obtained does not include a copy of the Newgrange Royalty Agreement; however, through Free Rein's SISF, a royalty agreement was produced by Free Rein that relates to Newgrange and the Goldenspike Lands. I am assuming that this agreement is the Newgrange Royalty Agreement that ought to be found at Schedule "C" to the Free Rein/Newgrange APA. Attached hereto as **Exhibit "M"** is a copy of a royalty agreement dated October 30, 2018 between Free Rein as royalty payor and Newgrange as royalty owner, that I understand to be the Newgrange Royalty Agreement.
47. The Newgrange Royalty Agreement is executed by Mr. McCallum for Newgrange and by Mr. Addison for Free Rein. Certain key terms of the Newgrange Royalty Agreement are as follows:
 - (a) The Newgrange Royalty Agreement is dated October 30, 2018;
 - (b) The overriding royalty is calculated on a well by well basis at 5% of the crude oil and other petroleum substances produced on a gross monthly basis;
 - (c) The Newgrange GORR is intended to be an interest in the Goldenspike Lands and to be a covenant running therewith;

- (d) An “Area of Mutual Interest” is described at Schedule “B” to which Clause 16 of the agreement applies. Clause 16 provides, in part, as follows:
- (i) The lands outlined on Schedule “B” are “mutual interest lands”;
 - (ii) If Free Rein acquires any of the mutual interest lands within two years of the Acquisition Date (as defined in the Newgrange Royalty Agreement), the Newgrange GORR shall apply to those newly acquired lands; and
 - (iii) The parties may agree to add additional lands to be subject to the Newgrange GORR.
48. The Goldenspike Lands are a subset of the “mutual interest lands” identified at Schedule “B” to the Newgrange Royalty Agreement.
49. I have been advised by Mr. Dublonko, that the assets transferred to Free Rein pursuant to the Free Rein/Newgrange APA are identical to the assets acquired by Newgrange pursuant to the Questfire Receivership APA. That is, Newgrange acquired the Goldenspike Assets pursuant to the Questfire Receivership APA for \$250,000, and then sold them to Free Rein approximately five months later without conducting any work or performing any improvements on the Goldenspike Assets for \$750,000 plus a 5% GORR.
50. I also understand from reviewing Free Rein’s minute book that:
- (a) pursuant to a Directors’ Resolution dated October 26, 2018, a few days prior to the date of the sale of the Goldenspike Assets pursuant to the Free Rein/Newgrange APA, Free Rein issued 3,000,000 (three million) common shares to Mr. McCallum personally, representing approximately 98.36% of the then outstanding shares of Free Rein, for total consideration of \$1.00. A copy of the October 26, 2018 Directors’ Resolution is attached hereto as **Exhibit “N”**.
 - (b) pursuant to a Directors’ Resolution dated December 15, 2018, the acquisition by Free Rein of the Goldenspike Assets from Newgrange Energy as of October 27, 2018 was approved in exchange for a payment of \$750,000 by Free Rein to Newgrange and the grant of “a gross overriding royalty to Terry McCallum (or his nominee), paid as long as it is commercially reasonable to do so”. Furthermore, it was resolved that Free Rein “shall issue

all future shares for \$1.00 per share”. A copy of the Directors’ Resolution dated December 15, 2018 is attached hereto and marked as **Exhibit “O”**.

51. I have been advised by Lisa Gerritsen, Free Rein’s production accountant, that Free Rein has paid a total of \$863,373.78 to Newgrange since March 2020 pursuant to the Newgrange GORR.
52. I have been advised by the Monitor and I understand from my own review of Free Rein’s books and records that Free Rein ceased paying royalties, generally, after September of 2023, once the SISP had begun, because it was intended that all valid and enforceable royalty arrears would be satisfied as a cure cost included with the purchase price upon closing of the successful transaction approved at the conclusion of the SISP.
53. I understand from my review of Free Rein’s books and records that Mr. McCallum caused Free Rein to make royalty payments to Newgrange on September 7, November 5 and November 22, 2023, in the amounts of \$23,292, \$21,730, and \$25,390, for the production months of July, August and September 2023, respectively. I note that Newgrange was the only recipient of a GORR payment on account of September 2023 production.
54. In particular with respect to the payment made on November 22, 2023, this payment was made on the eve of a court order prohibiting Free Rein from making any payments to any party without the prior written consent of the proposal trustee (the **“Fourth Stay Extension Order”**). Free Rein had consented to Invico’s request to include this restriction on payments in the Fourth Stay Extension Order, since, at the time, the Force Majeure Notice had recently been issued and Invico was contemplating making an application to continue the NOI Proceedings under the CCAA. A copy of the Fourth Stay Extension Order is attached hereto as **Exhibit “P”**.

The Shareholder GORR

55. As discussed in the First Wutzke Affidavit, by early 2023, Free Rein was experiencing significant operating challenges and cost over-runs. By this time, Free Rein was already in default of its debt service coverage ratio covenant under the Loan Agreement with Invico.
56. Free Rein had, however, identified an “up-hole” (i.e. shallow) geologic formation in one of its existing wells that could potentially be capable of producing oil or gas from the lower Mannville formation. The existing well that had been identified was the well having unique well identifying number 100/06-26-051-27W4 (the **“Shareholder Royalty Well”**). In order to generate production

from this formation, Free Rein needed to “complete” the Shareholder Royalty Well in that formation (the “**Completion**”). The estimated cost to perform the Completion was \$150,000.

57. At that time, Free Rein did not have sufficient funds to pay for the Completion, and Invico was not willing to advance further funds, given that Free Rein was already in default under the Loan Agreement.
58. As a result, Free Rein proposed to Invico that the Completion could be funded by contributions made by Free Rein’s existing shareholders on a pro-rata basis based on their proportional shareholdings in Free Rein. In exchange, those contributing shareholders would receive a royalty on the oil and gas production from the “up-hole” geologic formation in the Shareholder Royalty Well (i.e. the Shareholder GORR).
59. Invico never approved of Free Rein’s grant of the Shareholder GORR, since the Shareholder GORR would erode the value of Invico’s security in Free Rein’s assets. Invico repeatedly requested documentation related to the Shareholder GORR from Free Rein, but Free Rein failed to provide it. On April 14, 2023, Rod Monden, the former Chief Financial Officer of Free Rein, provided Invico with a copy of a Royalty Agreement, dated March 8, 2023, showing only one individual subscribing for 2.33% or \$3,500 of the \$150,000 estimated completion cost. In this email correspondence, Mr. Monden promised to provide approximately 20 more signature pages the following week in respect of additional subscribers, but never did.
60. On April 15, 2023, Mr. Monden provided Invico with a schedule that purported to list all of the participants in the Shareholder GORR. The schedule showed parties subscribing for an aggregate total of \$150,000 for the Shareholder GORR, but, as noted in the paragraph above, Mr. Monden did not provide signature pages for the Shareholder GORR in respect of the participants listed in the schedule.
61. Despite having been provided very little documentation on the Shareholder GORR, on April 18, 2023, Invico and Free Rein entered into an Amended and Restated Loan Agreement made effective March 31, 2023, which was necessary in the circumstances to allow Free Rein time to resolve its financial difficulties. Notwithstanding a reference to “Existing GORR” in the Amended and Restated Loan Agreement, meaning the Shareholder GORR dated March 8, 2023, Invico never approved of the royalty. Attached hereto as **Exhibit “Q”** is an email string dated April 14, 2023, between me and members of Free Rein demonstrating that Free Rein granted the Shareholder GORR without Invico’s approval.

62. Attached hereto as **Exhibit “R”** is a copy of the agreement that was included in Free Rein’s virtual data room for the SISP, that purportedly grants the Shareholder GORR (the “**Shareholder GORR Agreement**”). This version of the Shareholder GORR Agreement does not identify anyone to be the “Royalty Owner”.
63. Despite Invico’s repeated requests prior to and during the NOI Proceedings and during the SISP, Free Rein never provided Invico with a properly compiled Shareholder GORR Agreement setting out the purported participants as “Royalty Owner” under the agreement.
64. However, as part of its due diligence review being conducted in these CCAA Proceedings, Invico has been able to locate digital records of a number of Shareholder GORR documents under which the counterparties agreed to participate in the GORR in a specified percentage. Through review of these documents, review of Free Rein’s books and records and discussions with Free Rein’s personnel, we have determined, among other things, that:
- (a) the Shareholder GORR Agreements made with each counterparty did not specify an aggregate amount of \$150,000 to be contributed in exchange for the participation, as purported to be the case to Invico; and
 - (b) from discussions with Mr. Dublonko and Tyler Klatt, former VP of Exploration of Free Rein, that Messrs. Dublonko and Klatt never advanced funds in exchange for being granted their GORR. Furthermore, I understand from a review of Free Rein’s books and records that Mr. Monden also did not advance funds in exchange for being granted the GORR. These transactions raise questions about the consideration paid for the GORR.
65. I have been advised by Mr. Dublonko that the funds that were ultimately raised under the Shareholder GORR were used to fund the recompletion, which initially appeared to be successful. However, in May 2023, excess water influx attributed to a mechanical failure required further expenditures to restore production, which funds came from working capital.

The Disposal Well

The Nucor Agreement

66. Free Rein owns and is the license holder of one waste disposal well having unique well identifying number 02/13-23-051-27W4 (the “**Disposal Well**”) and possesses the mineral rights in the accompanying subsurface disposal formation.

67. I understand from my review of Free Rein's books and records that around May 1, 2020, Free Rein signed a memorandum of understanding (the "**MOU**") with Nucor Environmental Solutions Ltd. ("**Nucor**") in respect of the Disposal Well for the construction of a waste management facility. The MOU culminated in a letter agreement between Free Rein and Nucor, dated June 1, 2020 (the "**Nucor Agreement**") providing for a joint venture arrangement between Nucor and Free Rein. Copies of the MOU and the Nucor Agreement are attached hereto as **Exhibits "S" and "T"** respectively.
68. Certain key terms of the Nucor Agreement include:
- (a) Nucor agreed to fund the design, construction and commission of a water disposal facility (the "**Disposal Facility**") at the Disposal Well (section 3);
 - (b) Free Rein would be the 100% owner of the Disposal Facility, and all surface equipment would be 100% owned by Nucor (section 3)
 - (c) revenue generated from the Disposal Facility would be shared equally between Free Rein and Nucor, subject to operating expenses and joint venture expenses (section 4);
 - (d) Nucor was required to provide a monthly summary of contracts, analysis, financial information and proceeds of the sale of production (section 7);
 - (e) Nucor would be appointed as the initial operator of the joint venture (section 8); and
 - (f) the agreement could be terminated on 60 days' notice; however, if the agreement was terminated before Nucor's costs for constructing the Disposal Facility had been recovered, Free Rein would be liable to Nucor for any deficiency between the cost incurred by Nucor for having constructed the Disposal Facility and the revenue earned by Nucor through operations at the Disposal Facility (section 14).
69. I understand that Nucor completed construction of the Disposal Facility in or around December 2020 and has been conducting water and waste disposal operations at the Disposal Facility since January 2021.
70. Despite Nucor's obligations under the Nucor Agreement, Nucor has not provided Free Rein with financial information relating to the Disposal Facility, including information relating to revenue

generated and costs incurred by operations at the Disposal Facility since May of 2023, which related to operations at the Disposal Facility up to January 31, 2023.

71. Nucor has also failed to pay Free Rein any amounts relating to the Disposal Facility for some time. I understand that the Monitor has sent a demand letter to Nucor demanding payment of arrears owing to Free Rein its share of the net revenue from operations at the Disposal Facility.
72. I understand that the Monitor issued a notice of disclaimer to Nucor in respect of the Nucor Agreement.
73. Invico has reviewed all of Free Rein's records relating to the Nucor Agreement and the Disposal Facility, and is of the view that the Nucor Agreement is uneconomic to the operation of the assets and its disclaimer will enhance the viability of the Disposal Well, going forward.

The Legacy Agreement

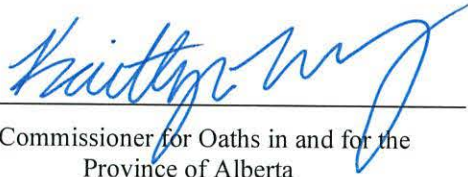
74. I understand from my review of Free Rein's records that Free Rein purported to enter into another Joint Venture Agreement with respect to the Disposal Well with Legacy Disposal Facility Ltd. ("**Legacy**"), and such agreement being dated March 1, 2023 (the "**Legacy Agreement**"). Attached hereto as **Exhibit "U"** is a copy of the Legacy Agreement.
75. I understand from my review of search results from Alberta's and British Columbia's corporate registries and from Invico's conversations with representatives with Nucor, that Nucor and Legacy are related entities that share common directors and officers. Attached hereto as **Exhibits "V" and "W"** are copies of the corporate search results for Nucor and Legacy, respectively.
76. Although the Legacy Agreement is dated March 1, 2023, dates provided in the signature blocks indicate that the agreement was executed on or around June 27, 2023 and June 28, 2023, which is more than two weeks after Free Rein commenced its NOI Proceeding. I have been advised by the Monitor that it was not aware of the Legacy Agreement (in its then capacity as Proposal Trustee) at the time it was executed by Free Rein and Legacy.
77. The Legacy Agreement, like the Nucor Agreement, deals with the construction and operation of a waste water disposal facility at the Disposal Well, although the waste water disposal facility had already been constructed at that point.

78. Among other things, the Legacy Agreement appoints Legacy as the Service Provider and requires Free Rein to transfer its Waste Management Facility license and all related infrastructure relating to the Disposal Facility, to Legacy. Further, the Legacy Agreement purports to grant Legacy a security interest in that license and those assets until such time as the transfer is completed.
79. Schedule C attached to the Legacy Agreement sets out various surface leases, pipelines and rights-of-way, and a well bore to be assigned to Legacy as part of the transfer of the Waste Management Facility license to Legacy. My understanding from my review of Free Rein's records is that Free Rein never followed through with the transfer of these assets to Legacy.
80. In summary, the Legacy Agreement appears to have been an attempt by Free Rein and Legacy to transfer certain of Free Rein assets to Legacy outside of the normal course of business at a time that Free Rein was in the midst of the NOI Proceeding, without approval of the Proposal Trustee or the court. Accordingly, Invico seeks to have the court set aside or declare the Legacy Agreement null and void, or in the alternative, permit Free Rein's liabilities and obligations under the Legacy Agreement to be transferred to the Residual Trust under the proposed Transaction.

V. CONCLUSION

81. Following the conclusion of the SISP in the NOI Proceedings, no bidders other than Invico were willing to enter into a transaction for the purchase of, or investment in, Free Rein's property or business. The NOI Proceedings were continued under the CCAA to allow Invico sufficient time to prepare the necessary documents to consummate a share transaction through an RVO.
82. Invico is willing to proceed with the Transaction on the terms set out in the RVO Transaction Documents. The Transaction is the only remaining path forward for Free Rein's business, and is in the best interests of Free Rein's stakeholders because, among other things, it preserves Free Rein's business as a going concern and avoids a liquidation of Free Rein's assets through a bankruptcy. Importantly, it avoids the likely result that, in a bankruptcy, all of Free Rein's oil and gas assets would fall to the Orphan Well Association, to the detriment of the public.
83. Accordingly, Invico seeks approval of the Transaction pursuant to the RVO, granting, among other things, the relief provided at paragraph 3 of this Affidavit.
84. I swear this affidavit in support of Invico's application for the approval of the Transaction and the granting of the RVO.

This is Exhibit "A"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

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COURT FILE NUMBER/ESTATE NUMBERS 25-2954304
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COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

C111569

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, RSC 1985, C B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF FREE REIN RESOURCES LTD.

DOCUMENT

**FOURTH REPORT OF FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS PROPOSAL TRUSTEE OF FREE
REIN RESOURCES LTD.**

November 17, 2023

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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FOURTH REPORT OF THE PROPOSAL TRUSTEE

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Appendix “A” – Cash Flow Statement for the period ending December 30, 2023

INTRODUCTION

1. On June 12, 2023 (the “**Filing Date**”), Free Rein Resources Ltd. (“**Free Rein**” or the “**Company**”), a private corporation formed under the laws of Alberta filed a Notice of Intention (the “**NOI**”) to make a proposal pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”).
2. FTI Consulting Canada Inc. (“**FTI**”) was appointed as proposal trustee (FTI in such capacity, the “**Proposal Trustee**”) in the NOI proceedings of Free Rein (the “**Proceedings**”).
3. On July 11, 2023, the Court of King’s Bench of Alberta (the “**Court**”), granted an Order which, among other things:
 - (a) approved a first ranking administrative charge on all of the Company’s present and after-acquired assets, property and undertakings, not to exceed \$200,000; and
 - (b) extended the stay of proceedings and time within which the Company is required to file a proposal to its creditors to August 25, 2023.
4. On August 25, 2023, the Court, granted an Order which, among other things:
 - (a) extended the stay of proceedings and time within which the Company is required to file a proposal to its creditors to October 9, 2023;
 - (b) approved a sale and investment solicitation process (the “**SISP**”) and the Stalking Horse Term Sheet (as defined in the SISP); and
 - (c) authorized the Proposal Trustee, with the assistance of the Company, to administer the SISP.

5. On October 5, 2023, the Court, granted an Order which, among other things extended the stay of proceedings and time within which the Company is required to file a proposal to its creditors to November 23, 2023.
6. This Fourth report of the Proposal Trustee (the “**Fourth Report**”) is filed in connection with the Company’s application currently scheduled to be heard on November 23, 2023 (the “**November 23 Application**”), seeking an Order from the Court, among other things, extending the time for Free Rein to file a proposal to December 12, 2023 (the “**Stay Period**”).
7. Electronic copies of all materials filed by the Company in connection with the November 23 Application and other statutory materials are available on the Proposal Trustee’s website at: <http://cfcanada.fticonsulting.com/freerein>.

PURPOSE

8. The Proposal Trustee has reviewed the Court materials filed by the Company in support of the November 23 Application. The purpose of this Fourth Report is to provide information to this Honourable Court pertaining to:
 - (a) the Company’s operations and assets;
 - (b) the status of the Company’s restructuring efforts, including comments on the SISP;
 - (c) budget to actual cash flow results for the period ended November 11, 2023;
 - (d) the Company’s updated cash flow statement (the “**Cash Flow Statement**”) for the period ending December 30, 2023;
 - (e) the Company’s request for an extension to the Stay Period; and
 - (f) the Proposal Trustee’s conclusions and recommendations.

TERMS OF REFERENCE

9. In preparing this Fourth report, the Proposal Trustee has relied upon unaudited financial information, other information available to the Proposal Trustee and, where appropriate, the Company's books and records and discussions with various parties (collectively, the "**Information**").
10. Except as described in this Fourth Report:
 - (a) the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*;
 - (b) the Proposal Trustee has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the *Chartered Professional Accountants of Canada Handbook*; and
 - (c) future oriented financial information reported or relied on in preparing this report is based on assumptions regarding future events; actual results may vary from forecast and such variations may be material.
11. The Proposal Trustee has prepared this Fourth Report in connection with the November 23 Application. This Fourth Report should not be relied on for other purposes.
12. Information and advice described in this Fourth Report that has been provided to the Proposal Trustee by its legal counsel, Cassels Brock & Blackwell LLP (the "**Proposal Trustee's Counsel**"), was provided to assist the Proposal Trustee in considering its course of action, is not intended as legal or other advice to, and may not be relied upon by, any other person.

13. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
14. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the SISP and Stalking Horse Term Sheet.

P&NG ASSETS & OPERATIONS

15. The primary objectives of these Proceedings are to:
 - (a) ensure the Company has the necessary stability to maintain ongoing operations while it seeks to restructure its financial affairs; and
 - (b) provide a forum to effectuate a restructuring transaction for the benefit of the Company's creditors and preserve Free Rein's going concern business.
16. The Company's petroleum and natural gas assets ("**P&NG Assets**") are located primarily in Central Alberta in the Golden Spike area.
17. Since the Filing Date the Company has maintained the operation of the P&NG Assets without any material disruption and the P&NG Assets are currently producing approximately 425 boe/d.
18. On November 15, 2023, the Company received email (the "**November 15 Email**") notification from the counterparty (the "**Counterparty**") to its Gas Handling Agreement (the "**GH Agreement**") and Emulsion Handling Agreement (the "**EH Agreement**") indicating that the Counterparty:
 - (a) anticipates receiving inlet gas volumes at levels below the minimum required volume to safely run the plant on or about November 30, 2023;
 - (b) will be unable to accept, process and handle the Company's natural gas and non-gas substances as per the GH Agreement and EH Agreement;

- (c) expects to issue a force majeure notice under the GH Agreement and EH Agreement on or about November 30, 2023 (the “**FM Notice**”), when plant inlet volumes drop below the minimum required volume; and
 - (d) will notify the Company should anything change prior to November 30, 2023.
19. The Proposal Trustee understands that under the GH Agreement and EH Agreement, either party may be entitled to suspend its obligations under those agreements if it such party is prevented by force majeure from fulfilling any obligations.
20. The Proposal Trustee understands that the Company and its counsel are in the process of reviewing the November 15 Email and the impact of the FM Notice on the Company’s operations and cash flow.
21. If the FM Notice is issued and the services under the GH Agreement and EH Agreement are suspended, including payment of all amounts to the Company under those agreements (collectively, the “**Suspension of Services**”), the Proposal Trustee anticipates that this would result in a material change to the Company’s operations and cash flow due to the inability to process its natural gas production.
22. However, the Proposal Trustee also notes that even if the Suspension of Services took effect immediately on November 30, 2023, the Suspension of Services would materially reduce the Company’s production beginning December 1, 2023, and would not impact the Cash Flow Statement for the Stay Period requested in the November 23 Application, as revenue receipts are received on the 25th of every month for the preceding month’s production.
23. The Proposal Trustee anticipates providing further information and updates to stakeholders and this Honourable Court when available.

SALE AND INVESTMENT SOLICITATION PROCESS

24. The Proposal Trustee, with the assistance of the Company, was authorized to administer the SISP to broadly canvas potential purchasers and investors in a structured manner to maximize value for the benefit of the Company's creditors and stakeholders.
25. For ease of reference, key dates included in the SISP are set out in the table below:

| Milestone | Deadline |
|---|-------------------|
| Free Rein, the Proposal Trustee and Stalking Horse Bidder to create list of Known Potential Bidders and distribute Teaser Letters and NDAs to Known Potential Bidders | September 1, 2023 |
| Free Rein and the Proposal Trustee to prepare and have available for Potential Bidders access to the VDR | September 8, 2023 |
| Phase 1 Bid Deadline | October 2, 2023 |
| Phase 2 Bid Deadline | November 6, 2023 |
| Closing Date Deadline | December 11, 2023 |

26. The Proposal Trustee can advise that the milestones set out in SISP have been met to date and the Proposal Trustee and the Company have continued to advance the SISP. A summary of Phase 1 of the SISP is set out below.
- (a) Teaser Letter was distributed to Known Potential Bidders on September 1, 2023;
 - (b) VDR was made available to Potential Bidders on September 8, 2023; and
 - (c) 23 parties executed a non-disclosure agreement and were granted access to the VDR; and
 - (d) 9 LOI's, in addition to the Stalking Horse Term Sheet, were received by the Phase 1 Bid Deadline.

27. The Proposal Trustee, in consultation with the Company, reviewed the LOIs and determined that six Phase 1 Qualified Bidders, in addition to the Stalking Horse Bidder, had submitted a Qualified LOI and were determined to be Phase 2 Qualified Bidders.
28. The Proposal Trustee and the Company assisted Phase 2 Qualified Bidders with due diligence requests during Phase 2. Prior to the Phase 2 Bid Deadline, the Proposal Trustee sent a bid instruction letter to Phase 2 Qualified Bidders setting out the requirements for a Phase 2 Bid.
29. The Proposal Trustee received two Phase 2 Bids, in addition to the Stalking Horse Term Sheet, on or before the Phase 2 Bid Deadline.
30. Pursuant to paragraph 37 of the SISP, the Proposal Trustee shall notify each Phase 2 Qualified Bidder in writing as to whether its Phase 2 Bid constitutes a Qualified Bid within ten business days of the Phase 2 Bid Deadline.
31. As of the date of this Fourth Report, the Proposal Trustee is still evaluating the Phase 2 Bids and has requested additional information from the Phase 2 Qualified Bidders to determine whether the Phase 2 Bids constitute Qualified Bids. The Proposal Trustee intends to report further to this Honourable Court on the results of the SISP at a later date.
32. The Proposal Trustee has also advised the Phase 2 Qualified Bidders of the FM Notice and is currently discussing the potential impact on their Phase 2 Bid, if any.

BUDGET TO ACTUAL RESULTS

33. The Company's actual cash flows as compared to those contained in the cash flow statement for the seven week period of September 24, to November 11, 2023, is summarized below.

| 7 Week Period Ended November 11, 2023 | Actual | Forecast | Variance |
|--|---------------|-----------------|-----------------|
| <i>(C\$ 000s)</i> | | | |
| Receipts | | | |
| Net production revenue | \$ 981 | \$ 896 | \$ 85 |
| Other receipts | 2 | - | 2 |
| Total - Receipts | 983 | 896 | 87 |
| Disbursements | | | |
| Royalties | (30) | (51) | 21 |
| Transportation costs | (67) | (69) | 1 |
| Operating expenses | (261) | (254) | (7) |
| Capex | - | - | - |
| SG&A expense | (296) | (227) | (69) |
| Professional fees | (280) | (225) | (55) |
| GST remittance | - | - | - |
| Total - Disbursements | (934) | (826) | (108) |
| Net cash flow | 49 | 71 | (21) |
| Opening cash | 26 | 26 | - |
| Net cash flow | 49 | 71 | (21) |
| Ending cash | \$ 76 | \$ 97 | \$ (21) |

34. The variances in actual receipts and disbursements as compared to the Cash Flow Statement are primarily due to the following:
- Receipts: positive variance of approximately 87,000 primarily due to higher realized pricing for the Company's oil and natural gas liquids than forecast and GST collected on sales which was not included in the forecast;
 - Disbursements: negative variance of approximately \$108,000 primarily comprised of the following:

- lower royalty payments than forecast in the period (timing variance expected to reverse in future periods);
- transportation costs and operating expenses were substantially in line with forecast in the period;
- SG&A expense was higher than budget partially due to the timing of funding payroll in the week ending November 11, 2023; and
- professional fees were higher than forecast, a portion of the variance is related to the catchup of outstanding professional fees from prior periods.

35. As at November 11, 2023, the Company had approximately \$76,000 of cash on hand.

COMPANY'S ENGAGEMENT OF THIRD-PARTY CONSULTANT

36. In its Third Report the Proposal Trustee reported in that the Company had engaged a third party consultant ("**Third Party Consultant**") that the Company believed could bring unique capital/financing solutions to support the Company's efforts to repay its secured creditors and fund a proposal to the Company's unsecured creditors.
37. The Proposal Trustee was notified on November 1, 2023, that the Third Party Consultant has ceased working on these refinancing efforts.

CASH FLOW STATEMENT

38. The Company, in consultation with the Proposal Trustee, has prepared an updated Cash Flow Statement to estimate the Company’s liquidity for the period from November 12, 2023, to December 30, 2023 (the “**Forecast Period**”), a summary of which is presented below. A copy of the Cash Flow Statement is attached hereto as Appendix “A”.

| Cash Flow Statement | |
|------------------------------|--------------|
| (C\$ 000s) | Total |
| Receipts | |
| Net production revenue | \$ 810 |
| Other receipts | - |
| Total - Receipts | 810 |
| Disbursements | |
| Royalties | (26) |
| Transportation costs | (66) |
| Operating expenses | (213) |
| Capex | - |
| SG&A expense | (295) |
| Professional fees | (270) |
| GST remittance | (14) |
| Total - Disbursements | (884) |
| Net cash flow | (73) |
| Opening cash | 76 |
| Net cash flow | (73) |
| Ending cash | \$ 2 |

39. The Cash Flow Statement projects the Company will have net cash flow of approximately negative \$73,000 over the Forecast Period, including:
- cash receipts of approximately \$0.8 million, primarily related to the collections from the sale of petroleum and natural gas substances;
 - cash disbursements of approximately \$0.9 million primarily related to trade payments, payroll and benefits, other operating disbursements and professional fees.

40. As noted above, the FM Notice will not impact the Cash Flow Statement for the Stay Period requested at the November 23 Application as the forecast receipts relate to revenue generated for periods prior to November 30, 2023.
41. The Cash Flow Statement does not contemplate the payment of any amounts to secured creditors, including principal and interest. The Proposal Trustee is of the view that this is appropriate in light of:
- (a) the relatively accelerated timeline provided for by the extension of the Stay Period;
 - (b) to ensure that cash resources are maintained to facilitate the Company's restructuring efforts; and
 - (c) to minimize any potential prejudice to other post-filing creditors by paying amounts accruing to secured creditors.
42. The Cash Flow Statement has been prepared by the Company using probable and hypothetical assumptions set out in the notes to the Cash Flow Statement, including assumptions that goods and services incurred after the Filing Date are paid when incurred.
43. The Proposal Trustee's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to the Information supplied to it by the Company. Since probable and hypothetical assumptions need not be supported, the Proposal Trustee's procedures were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement, and there are no material assumptions contained therein which seem unreasonable in the circumstances.

44. Based on the Proposal Trustee’s review, as at the date of this Fourth Report, nothing has come to its attention that causes it to believe that, in all material respects:
- (a) the probable and hypothetical assumptions are not consistent with the purpose of the Cash Flow Statement; and
 - (b) the probable and hypothetical assumptions developed by the Company are not supported and consistent with the plan of the Company or do not provide a reasonable basis for the Cash Flow Statement.

PROPOSAL TRUSTEE’S CONCLUSIONS AND RECOMMENDATIONS

45. The stay of proceedings expires on November 23, 2023. At the November 23 Application, the Company is requesting an extension of the stay of proceedings to December 12, 2023.
46. The Proposal Trustee is of the view that the requested extension of the stay of proceedings is appropriate pursuant to section 50.4(9) of the BIA for the following reasons:
- (a) the Company and its management are acting in good faith and with due diligence in taking steps to facilitate a restructuring of the business;
 - (b) the extension of the Stay Period will allow sufficient time for the Company to advance the SISP enhancing the prospect of a viable proposal being presented;
 - (c) the Cash Flow Statement indicates that the Company will have sufficient liquidity to continue to fund operations and the cost of the Proceedings to December 12, 2023; and
 - (d) the Proposal Trustee is not aware of any reason that the extension of the Stay Period would materially prejudice any creditors.

47. Based on the foregoing, Proposal Trustee supports the relief being sought by the Company and respectfully recommends that the Court grant the relief referenced in paragraph 6 herein.

All of which is respectfully submitted this 17th day of November 2023.

FTI Consulting Canada Inc.
in its capacity as Proposal Trustee of
Free Rein Resources,
not in its personal or corporate capacity



Name: Dustin Olver, CPA, CA, CIRP, LIT
Title: Senior Managing Director,
FTI Consulting Canada Inc.

Appendix “A” – Cash Flow Statement for the period ending December 30, 2023

Free Rein Resources Ltd.

Cash Flow Statement for the period from November 12, 2023 to December 30, 2023

| Cash Flow Statement (C\$ 000s) | Week 1 18-Nov | Week 2 25-Nov | Week 3 2-Dec | Week 4 9-Dec | Week 5 16-Dec | Week 6 23-Dec | Week 7 30-Dec | Total | Notes |
|-----------------------------------|------------------|------------------|-----------------|-----------------|------------------|------------------|------------------|--------------|-------|
| Receipts | | | | | | | | | |
| Net production revenue | \$ - | \$ 459 | \$ - | \$ - | \$ - | \$ - | \$ 351 | \$ 810 | 1 |
| Other receipts | - | - | - | - | - | - | - | - | |
| Total - Receipts | - | 459 | - | - | - | - | 351 | 810 | |
| Disbursements | | | | | | | | | |
| Royalties | - | - | - | (26) | - | - | - | (26) | 2 |
| Transportation costs | - | (36) | - | - | - | - | (30) | (66) | 3 |
| Operating expenses | - | (102) | (30) | - | - | - | (81) | (213) | 4 |
| Capex | - | - | - | - | - | - | - | - | 5 |
| SG&A expense | (38) | - | (92) | - | (73) | - | (92) | (295) | 6 |
| Professional fees | - | (135) | - | - | - | - | (135) | (270) | 7 |
| GST remittance | - | - | - | - | - | - | (14) | (14) | |
| Total - Disbursements | (38) | (273) | (122) | (26) | (73) | - | (352) | (884) | |
| Net cash flow | (38) | 186 | (122) | (26) | (73) | - | (1) | (73) | |
| Opening cash | 76 | 38 | 224 | 102 | 76 | 3 | 3 | 76 | |
| Net cash flow | (38) | 186 | (122) | (26) | (73) | - | (1) | (73) | |
| Ending cash | \$ 38 | \$ 224 | \$ 102 | \$ 76 | \$ 3 | \$ 3 | \$ 2 | \$ 2 | |



FREE REIN RESOURCES LTD.

Per: Terry McCallum, CEO

FTI CONSULTING CANADA INC., TRUSTEE UNDER THE NOTICE
OF INTENTION TO MAKE A PROPOSAL

Per: Dustin Olver, LIT

Notes:

Management of Free Rein Resources Ltd. ("FRR") has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of FRR during the period of November 12, 2023 to December 30, 2023. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in Notes 1-7. Consequently, actual results will likely vary from actual performance and such variances may be material.

- 1 Net production revenue relates to the sale of FRR's petroleum and natural gas production. Production is based on current forecast production. The forecast sales prices are based on third party price forecasts and FRR's quality discount to benchmark pricing. Crown royalties for oil production are paid in kind.
- 2 Royalty expense relates to royalties paid to the crown and freehold land owners and are based on historical rates.
- 3 Transportation costs relate to transporting FRR's petroleum and natural gas production from well head to market and is based on projected production volumes and transportation rates.
- 4 Operating expenses are based on the FRR's annual operating budget and relates to the costs associated with the operation of oil and natural gas wells and facilities.
- 5 Capital expenditure based on planned capital projects and environmental spending.
- 6 SG&A expense includes costs associated with FRR's head office, employees, office lease and overhead based on its annual budget.
- 7 Professional fees includes estimates for the proposal trustee and its counsel and FRR's legal counsel.

Free Rein Resources Ltd.
Cash Flow Statement for the period from November 12, 2023 to December 30, 2023

| Cash Flow Statement (C\$ 000s) | Week 1 18-Nov | Week 2 25-Nov | Week 3 2-Dec | Week 4 9-Dec | Week 5 16-Dec | Week 6 23-Dec | Week 7 30-Dec | Total | Notes |
|-----------------------------------|------------------|------------------|-----------------|-----------------|------------------|------------------|------------------|--------------|-------|
| Receipts | | | | | | | | | |
| Net production revenue | \$ - | \$ 459 | \$ - | \$ - | \$ - | \$ - | \$ 351 | \$ 810 | 1 |
| Other receipts | - | - | - | - | - | - | - | - | |
| Total - Receipts | - | 459 | - | - | - | - | 351 | 810 | |
| Disbursements | | | | | | | | | |
| Royalties | - | - | - | (26) | - | - | - | (26) | 2 |
| Transportation costs | - | (36) | - | - | - | - | (30) | (66) | 3 |
| Operating expenses | - | (102) | (30) | - | - | - | (81) | (213) | 4 |
| Capex | - | - | - | - | - | - | - | - | 5 |
| SG&A expense | (38) | - | (92) | - | (73) | - | (92) | (295) | 6 |
| Professional fees | - | (135) | - | - | - | - | (135) | (270) | 7 |
| GST remittance | - | - | - | - | - | - | (14) | (14) | |
| Total - Disbursements | (38) | (273) | (122) | (26) | (73) | - | (352) | (884) | |
| Net cash flow | (38) | 186 | (122) | (26) | (73) | - | (1) | (73) | |
| Opening cash | 76 | 38 | 224 | 102 | 76 | 3 | 3 | 76 | |
| Net cash flow | (38) | 186 | (122) | (26) | (73) | - | (1) | (73) | |
| Ending cash | \$ 38 | \$ 224 | \$ 102 | \$ 76 | \$ 3 | \$ 3 | \$ 2 | \$ 2 | |

FREE REIN RESOURCES LTD.
Per: Terry McCallum, CEO

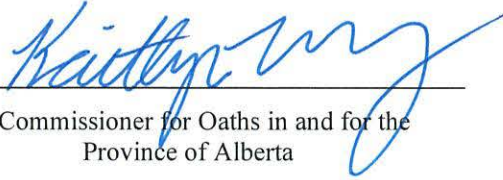

FTI CONSULTING CANADA INC., TRUSTEE UNDER THE NOTICE
OF INTENTION TO MAKE A PROPOSAL
Per: Dustin Olver, LIT

Notes:

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- 5 Capital expenditure based on planned capital projects and environmental spending.
- 6 SG&A expense includes costs associated with FRR's head office, employees, office lease and overhead based on its annual budget.
- 7 Professional fees includes estimates for the proposal trustee and its counsel and FRR's legal counsel.

This is Exhibit "B"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

SUBSCRIPTION AGREEMENT

BETWEEN:

FREE REIN RESOURCES LTD.

- and -

**INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP BY ITS GENERAL
PARTNER, INVICO DIVERSIFIED INCOME MANAGING GP INC.**

Dated:

[●], 2024

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Schedule "A" – Reverse Vesting Order

*Schedule "B" –
Transferred Assets
Transferred Liabilities
Retained Assets
Retained Liabilities*

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT made as of ●, 2024,

BETWEEN:

FREE REIN RESOURCES LTD. (the “**Company**” or the “**Debtor**”)

- and -

**INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP BY ITS
GENERAL PARTNER, INVICO DIVERSIFIED INCOME MANAGING
GP INC.** (the “**Purchaser**”)

WHEREAS:

- A. The Company commenced proceedings (the “**NOI Proceedings**”) in the Court of King’s Bench of Alberta in the Judicial District of Calgary, Alberta (the “**Court**”) under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) by filing a notice of intention to make a proposal to creditors on June 12, 2023 under Court File No. 25-2954304 and Estate No. B201954304, pursuant to which FTI Consulting Canada Inc. was appointed as proposal trustee (the “**Proposal Trustee**”) for the NOI Proceedings;
- B. Pursuant to an order of the Court dated August 25, 2023 (the “**SISP Order**”), the Court approved, among other things, a sale and investment solicitation process in connection with the NOI Proceedings (the “**SISP Process**”);
- C. The Parties further acknowledge that due to, among other things, a material adverse change in the operations of the Company, the SISP Process failed, and as a result, the Purchaser has submitted a new offer to purchase shares in the Company, on the terms and conditions contained herein and to be completed through a series of transactions between the Company and the Purchaser to proceed by way of the Reverse Vesting Order (as defined herein);
- D. The Company wishes to issue to the Purchaser, and the Purchaser has agreed to subscribe for and purchase from the Company, the Purchased Shares, upon the terms and conditions set forth herein;
- E. Invico Diversified Income Limited Partnership (the “**Lender**”) applied to the Court for an order to convert the NOI Proceedings to proceedings pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) pursuant to a CCAA initial order (the “**Initial Order**”) and an Amended and Restated Initial Order (the “**ARIO**”) (both dated December 7, 2023), and that the Proposal Trustee be appointed as monitor with enhanced powers over the Debtor, under Court File No. 2301-16260 (the “**CCAA Proceedings**”);
- F. The Company shall effect a reorganization pursuant to the statutory procedure set out in Section 192 of the *Business Corporations Act* (Alberta) whereby, among other things, all

existing Equity Interests shall be redeemed for nominal consideration and then extinguished, immediately prior to the subscription for and purchase of the Purchased Shares by the Purchaser pursuant to this Agreement (the “**Reorganization**”);

- G. At Closing, the Purchased Shares shall represent all of the issued and outstanding equity of the Company;
- H. The Transactions contemplated by this Subscription Agreement are subject to the approval of the Court and will be consummated only pursuant to and in accordance with this Agreement and the approval of the Court pursuant to the Reverse Vesting Order.

NOW THEREFORE, THIS SUBSCRIPTION AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties have agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Subscription Agreement, unless the context otherwise requires:

- (a) “**Affiliate**” means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term “**control**” as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than 50% of the voting securities of such Person, by contract or otherwise;
- (b) “**Applicable Law**” means, in relation to any Person, property or circumstance, all laws, statutes, rules, regulations, official directives and orders of Governmental Authorities (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, licence or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;
- (c) “**ARIO**” has the meaning ascribed thereto in the Recitals;
- (d) “**BIA**” has the meaning ascribed thereto in the Recitals;
- (e) “**Business Day**” means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;
- (f) “**Cash Component**” has the meaning ascribed thereto in the Section 2.2(c);

- (g) “**CCAA**” has the meaning ascribed thereto in the Recitals;
- (h) “**CCAA Proceedings**” has the meaning ascribed thereto in the Recitals;
- (i) “**Claim**” means any claim, action, demand, lawsuit, proceeding, arbitration, or any investigation by a Third Party or a Governmental Authority (whether pertaining to the Retained Assets or otherwise), in each case whether asserted, threatened, pending or existing;
- (j) “**Closing**” means the completion of the Transactions pursuant to this Subscription Agreement;
- (k) “**Closing Date**” the date on which Closing occurs, which date shall be no later than three (3) Business Days from the date on which all conditions set out in Article 4 (other than those conditions that by their nature can only be satisfied on the Closing Date) have been satisfied or waived or such other date as may be agreed upon by the Parties;
- (l) “**Closing Place**” means the office of the Company or its counsel, or such other place as may be agreed upon in writing by the Parties;
- (m) “**Closing Sequence**” has the meaning ascribed thereto in the Section 3.3;
- (n) “**Common Shares**” means common shares in the capital of the Company;
- (o) “**Company**” has the meaning ascribed thereto in the Recitals;
- (p) “**Company Release**” has the meaning ascribed thereto in the Section 3.4(b)(iv);
- (q) “**Confidentiality Agreement**” means the non-disclosure and confidentiality agreement, dated September 25, 2023, among the Monitor, the Company and Inviso Capital Corporation;
- (r) “**Confidential Materials**” has the meaning ascribed thereto in Section 9.12;
- (s) “**Court**” has the meaning set out in the Recitals;
- (t) “**Creditor Trust**” means the trust to be formed pursuant to the Reverse Vesting Order and named “Free Rein Resources Residual Trust”, which shall hold the Transferred Assets and the Transferred Liabilities for the benefit of the creditors of the Company, and subject to the claims under the Reverse Vesting Order, all in the manner specified herein and set forth in the Reverse Vesting Order;
- (u) “**Creditor Trust Settlement**” means the Creditor Trust Settlement attached as Schedule “B” to the Reverse Vesting Order;
- (v) “**Cure Costs**” means any costs required to bring any arrears current or rectify any monetary defaults on contracts which are Retained Assets;

- (w) **“Encumbrances”** means all security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, liens, trusts or deemed trusts (whether contractual, statutory or otherwise), reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the ARIO, the SISP Order, the Reverse Vesting Order or any other order of the Court; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), or any other personal property registry system;
- (x) **“Equity Interests”** includes (i) any shares, interests, participations or other equivalents (however designated) of capital stock or share capital; (ii) any phantom stock, phantom stock rights, stock appreciation rights or stock-based performance securities; (iii) any warrants, options, convertible, exchangeable or exercisable securities, subscriptions, rights (including any pre-emptive or similar rights), calls or other rights to purchase or acquire any of the foregoing; and (iv) any interest that constitutes an “equity interest” as such term is defined in the CCAA;
- (y) **“Governmental Authority”** means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, commission or department, as well as any government-owned entity, any regulatory authority and any public authority, including any public utility, having jurisdiction over a Party, the Retained Assets or the Transactions;
- (z) **“GST”** means the goods and services tax payable pursuant to the GST Legislation;
- (aa) **“GST Legislation”** means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder, all as amended from time to time;
- (bb) **“Initial Order”** has the meaning ascribed thereto in the Recitals;
- (cc) **“Indemnified Claims”** has the meaning ascribed thereto in Section 3.3(b)(iv);
- (dd) **“Invico Secured Debt”** means the amount of \$6,144,062.83, including principal, accrued but unpaid interest and loan administration fees, and legal fees incurred by Lender for the account of the Company as at December 4, 2023 that is owed to the Lender as the senior secured creditor of the Company;
- (ee) **“Lender”** has the meaning ascribed thereto in the Recitals;

- (ff) **“Losses”** means all actions, causes of action, losses, costs, Claims, damages, penalties, assessments, charges, expenses, and other liabilities and obligations which a Party suffers, sustains, pays or incurs, including reasonable legal fees and other professional fees and disbursements on a full-indemnity basis;
- (gg) **“Monitor”** means FTI Consulting Canada Inc., in its capacity as the Court-appointed monitor of the Company during the CCAA Proceedings;
- (hh) **“Monitor’s Certificate”** means the certificate to be filed by the Monitor certifying that all conditions of Closing of the Transactions contemplated by this Subscription Agreement and approved by the Reverse Vesting Order have been satisfied;
- (ii) **“NOI Proceedings”** has the meaning ascribed thereto in the Recitals;
- (jj) **“Outside Date”** means March 31, 2024, or such other date as may be agreed upon between the Parties in writing;
- (kk) **“Parties”** means, collectively, all of the parties to this Subscription Agreement; and **“Party”** means a party to this Subscription Agreement;
- (ll) **“Person”** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;
- (mm) **“Priority Payables”** means any current or future amounts owing as secured by any charges, liens or interest that rank in priority to the Invico Secured Debt, including without limitation any Court ordered charges or statutory priority claims, but does not include the Excluded Liabilities, plus the amount of up to \$50,000 to be used by the Trustee to administer the Creditor Trust
- (nn) **“Proposal Trustee”** has the meaning ascribed thereto in the Recitals;
- (oo) **“Purchase Price”** has the meaning set out in Section 2.2;
- (pp) **“Purchased Shares”** means one million (1,000,000) Common Shares subscribed for by the Purchaser and sold by the Company hereunder, or such greater or lesser number as will give the Purchaser 100% of the issued Common Shares at Closing;
- (qq) **“Purchaser”** has the meaning ascribed thereto in the Recitals;
- (rr) **“Recitals”** means the preamble and the recitals to this Agreement;
- (ss) **“Released Parties”** has the meaning ascribed thereto in Section 3.3(b)(iv);
- (tt) **“Reorganization”** has the meaning ascribed thereto in the Recitals;

- (uu) **“Representative”** means, with respect to any Party, its Affiliates, and its and their respective directors, officers, agents, advisors, employees and consultants and with respect to the Company includes its employees and consultants, and its and their respective directors, officers, agents, advisors, employees and consultants;
- (vv) **“Retained Assets”** means those assets described in Schedule “B” hereto and includes, where the context requires, the Retained Contracts;
- (ww) **“Retained Contracts”** means those contracts, agreements and commitments described in Schedule “B” hereto;
- (xx) **“Retained Liabilities”** means those liabilities described in Schedule “B” hereto;
- (yy) **“Reverse Vesting Order”** means an Order of the Court in substantially the form attached hereto as Schedule “A”, or in such other form as may be agreed to by the Parties in writing that, among other things: (a) approves this Subscription Agreement and the Transactions contemplated hereby (including the redemption for nominal consideration, and subsequent cancellation, of all of the issued and outstanding Equity Interests of the Company, other than the Purchased Shares); and (b) upon the delivery of a copy of the Monitor’s Certificate to the Purchaser, among other things: (i) transfers all of the Company’s right, title and interest in and to the Transferred Assets to the Creditor Trust; (ii) transfers all Transferred Liabilities to the Creditor Trust; (iii) releases and discharges the Company from all of the Transferred Liabilities; and (iv) releases the Company from the purview of the CCAA Proceedings and adds the Creditor Trust as an entity in the CCAA Proceedings;
- (zz) **“SISP Order”** has the meaning ascribed thereto in the Recitals;
- (aaa) **“SISP Process”** has the meaning ascribed thereto in the Recitals;
- (bbb) **“Subscription Agreement”** means this subscription agreement between the Company and the Purchaser, including all recitals and schedules attached hereto, and **“this Agreement”**, this **“Subscription Agreement”** **“herein”**, **“hereto”**, **“hereof”** and similar expressions mean and refer to this subscription agreement;
- (ccc) **“Taxes”** means taxes, duties, fees, premiums, assessments, imposts, levies and other similar charges imposed by any Governmental Authority under Applicable Law, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-

dumping, and all employment insurance, health insurance and governmental pension plan premiums or contributions;

- (ddd) **“Tax Refunds”** means all payments, subsidies, claims with respect to subsidies, credits or refunds (including payments and refunds in respect of Taxes) to which the Company is entitled that arose or relate to the period prior to Closing, including but not limited to: (i) any refund of goods and services taxes or harmonized sales taxes, (ii) any refund of federal or provincial income taxes, and (iii) any refund of premiums or payments relating to any provincial or federal workers’ compensation fund or program;
- (eee) **“Third Party”** means any individual or entity other than the Company and the Purchaser, including any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;
- (fff) **“Transactions”** means the issuance by the Company to the Purchaser, and the subscription for and purchase by the Purchaser, of the Purchased Shares in consideration of the Purchase Price and all matters related or ancillary to the foregoing contemplated by or in the manner provided for in this Subscription Agreement or the Reverse Vesting Order;
- (ggg) **“Transferred Assets”** means those assets described in Schedule “B” hereto and, where the context requires, includes the Transferred Contracts;
- (hhh) **“Transferred Contracts”** means those contracts, agreements and commitments described in Schedule “B” hereto;
- (iii) **“Transferred Liabilities”** means those liabilities described in Schedule “B” hereto; and
- (jjj) **“Trustee”** means FTI Consulting Canada Inc., in its capacity as the Court-appointed trustee of the Creditor Trust.

1.2 Headings

The words “Article”, “Section”, “subsection” and “Schedule” followed by a number or letter or combination thereof mean and refer to the specified Article, Section, subsection and Schedule of or to this Subscription Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Subscription Agreement into Articles, Sections and subsections and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Subscription Agreement.

1.4 Plurals and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and *vice versa*, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.5 Schedules

There are appended to this Subscription Agreement the following Schedules pertaining to the following matters:

- Schedule “A” – Form of Reverse Vesting Order
- Schedule “B” – Transferred Assets; Transferred Liabilities; Transferred Contracts; Retained Assets; Retained Liabilities and Retained Contracts

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such Schedules conflicts or is at variance with any term or condition in the body of this Subscription Agreement, such term or condition in the body of this Subscription Agreement shall prevail.

1.6 Damages

All Losses in respect of which a Party has a claim pursuant to this Subscription Agreement shall include reasonable legal fees and disbursements on a full indemnity basis.

1.7 Derivatives

Where a term is defined in the body of this Subscription Agreement, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires. The word “include” and derivatives thereof shall be read as if followed by the phrase “without limitation”.

1.8 Interpretation if Closing Does Not Occur

In the event that Closing does not occur, each provision of this Subscription Agreement which presumes that the Purchaser has acquired the Purchased Shares or the Retained Assets hereunder shall be construed as having been contingent upon Closing having occurred.

1.9 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Subscription Agreement and that of a schedule, the provision of the body of this Subscription Agreement shall prevail. If any term or condition of this Subscription Agreement conflicts with a term or condition of any Applicable Law, the term or condition of such Applicable Law shall prevail, and this Subscription Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.10 Currency

All dollar (\$) amounts referenced in this Subscription Agreement are expressed in the lawful currency of Canada.

ARTICLE 2 SUBSCRIPTION OF PURCHASED SHARES

2.1 Subscription for Purchased Shares

Subject to the provisions of this Subscription Agreement and the Reverse Vesting Order, on the Closing Date, the Purchaser shall subscribe for and purchase from the Company, and the Company shall issue to the Purchaser the Purchased Shares, free and clear of all Encumbrances.

2.2 Purchase Price

The aggregate consideration payable by the Purchaser to the Company for the Purchased Shares is **[\$7,500,000]** (the “**Purchase Price**”) payable by way of a combination of cash for the Cash Component (as defined below) and the assumption of secured debt, representing value for the business and undertaking acquired. The Purchase Price shall be satisfied as follows:

- (a) a cash payment of \$1.00;
- (b) a cash payment to satisfy the Priority Payables;
- (c) the assumption or payment of Cure Costs (together with the \$1.00 referred to in Section 2.2(a) above and the Priority Payables, the “**Cash Component**”); and
- (d) the assumption of the entirety of the Invico Secured Debt, which includes any further accrued but unpaid interest, monitoring fees and legal fees incurred by Lender for the account of the Debtor in accordance with its terms between December 4, 2023 and the Closing Date, such that it will remain a continuing obligation of the Company after Closing.

2.3 Form of Cash Payments

All cash payments to be made pursuant to this Subscription Agreement shall be in Canadian funds. All payments to be made pursuant to this Subscription Agreement shall be made by wire transfer.

ARTICLE 3 CLOSING

3.1 Date, Time and Place of Closing

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained.

3.2 Effectiveness of Reverse Vesting Order

Subject to the terms of this Subscription Agreement and the Reverse Vesting Order, to the extent such further action is required to give effectiveness thereto, the Company and the Creditor Trust, as applicable, shall effect the steps set forth in the Reverse Vesting Order, in the sequence and at the times specified therein, as such steps, transactions, sequence and/or times may be amended by written agreement of the Parties.

3.3 Closing

On the Closing Date, Closing shall take place in the following sequence (the “**Closing Sequence**”) in accordance with the terms of this Agreement and the Reverse Vesting Order:

- (a) First, the Purchaser shall pay the Cash Component to the Monitor, as trustee of the Creditor Trust;
- (b) Second, all of the Company’s right, title and interest in and to the Transferred Assets (including, for certainty, the Cash Component of the Purchase Price) shall vest absolutely and exclusively in the Creditor Trust and all claims and encumbrances attached to the Transferred Assets shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to their transfer;
- (c) Third, and concurrently with step 3.3(b) above, all Transferred Liabilities shall be transferred to, assumed by and vest absolutely and exclusively in the name of the Creditor Trust and the Transferred Liabilities shall be novated and become obligations of the Creditor Trust and no longer liabilities of the Company, for the purpose of allowing the Trustee to continue to administer the Transferred Liabilities in accordance with the terms and conditions of the Creditor Trust Settlement, for the benefit of the existing creditors of the Company as at the Closing Date, and: (i) such Transferred Liabilities shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to the Closing Date, as set out in paragraph 9 of the Reverse Vesting Order; (ii) such Transferred Liabilities shall be transferred to and assumed by the Creditor Trust in consideration for the transfer of the Transferred Assets and the Cash Component, and the Creditor Trust shall be deemed to have been party to the contracts and agreements giving rise thereto and which shall stand in place and stead of the Company in respect of any such liability or obligation;
- (d) Fourth, and also concurrently with step 3.3(b) above, the Company shall be forever released and discharged from all Transferred Liabilities, and all encumbrances securing transferred liabilities shall be forever released and discharged in respect of the Company and the Retained Assets;
- (e) Fifth, the Company shall, pursuant to the Reorganization, amend its articles of incorporation to alter the provisions of all Equity Interests issued and outstanding immediately prior to the Closing Date, making the same redeemable and

retractable, at the nominal redemption price of \$0.00001 per each such Equity Interest;

- (f) Sixth, each Equity Interest issued and outstanding immediately prior to the Closing Date shall be redeemed at the nominal redemption price of \$0.00001 each, and all such redeemed Equity Interests together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled in accordance with and pursuant to the Reverse Vesting Order;
- (g) Seventh, the Company shall have paid, assumed or otherwise satisfied the Retained Liabilities in accordance with the Reverse Vesting Order, and upon payment or assumption thereof, other than as set out in the Reverse Vesting Order, the Retained Liabilities shall be and are hereby forever released, expunged and discharged as against the Retained Assets, the Company, and the Purchased Shares;
- (h) Eighth, the Retained Assets will be retained by the Company, in each case free and clear of and from any and all Losses and Encumbrances including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the ARIO or any other order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), or any other personal property registry system or pursuant to the *Lands Title Act* (Alberta), all of which affecting or relating to the Purchased Shares and/or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;
- (i) Ninth, the Company shall issue the Purchased Shares to the Purchaser free and clear of and from any and all Losses and Encumbrances, and the Cash Component of the Purchase Price shall vest in the Creditor Trust to be administered by the Trustee for the benefit of the Company's creditors;
- (j) Tenth, the Company Release shall be released from escrow and shall become effective;
- (k) Eleventh, any directors of the Company immediately prior to the Closing, shall resign and Allison Taylor and Jason Brooks shall be deemed to be appointed as directors of the Company; and
- (l) Twelfth, the Company shall cease to be an applicant in the CCAA Proceedings and the Company shall be deemed to be released from the purview of the ARIO and all other orders of the Court granted in the CCAA Proceedings.

3.4 Closing Deliveries

- (a) On the Closing Date, the Company shall deliver to the Purchaser:
 - (i) an entered copy of the Reverse Vesting Order;
 - (ii) resignations of all remaining directors and officers of the Company immediately prior to the Closing, and where such resignations are not available, those directors and officers shall be deemed to have resigned, and the Company shall be deemed to appoint Allison Taylor and Jason Brooks as directors of the Company;
 - (iii) one or more share certificates duly executed by the Company, or other satisfactory evidence such as a notice of uncertified securities, representing, in aggregate, the Purchased Shares registered in the name of the Purchaser as directed by the Purchaser;
 - (iv) a certificate dated as of the Closing Date and executed by an executive officer of the Company confirming and certifying that each of the conditions in Sections 4.4(b) and 4.4(c) have been satisfied; and
 - (v) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions.

- (b) On the Closing Date, the Purchaser shall deliver to the Company:
 - (i) the Cash Component of the Purchase Price pursuant to Section 2.2;
 - (ii) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each of the conditions in Sections 4.3(a) and 4.3(b) have been satisfied;
 - (iii) an irrevocable release (the “**Company Release**”) by the Purchaser in favour of: (i) the Company’s current and former directors, officers, employees, agents, representatives, and all of their respective advisors, including financial advisors and legal counsel, (the “**Released Parties**”) from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims of any nature whatsoever, whether contractual, extra-contractual, in law or in equity or otherwise, past, present or future, direct or indirect, whether known or unknown (collectively, the “**Indemnified Claims**”) against any of the Released Parties, including in their capacity as equity holders of the Company, as applicable; save and except for any and all Indemnified Claims arising out of or in connection with any fraud or willful misconduct, on the part of the Released Parties; and

- (iv) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Company to complete the Transactions.

ARTICLE 4 CONDITIONS OF CLOSING

4.1 Required Consents

- (a) Before Closing, each of the Parties shall use all reasonable efforts to obtain any and all approvals required under Applicable Law to permit closing of the Transactions. The Parties acknowledge that, except for the Reverse Vesting Order, the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, remedial work or other documentation required by Governmental Authorities to permit the transfer to the Purchaser, and registration of the Purchaser as owner and/or operator, of any of the Retained Assets, if any.
- (b) Notwithstanding anything to the contrary herein, except for the Reverse Vesting Order, it is the sole obligation of the Purchaser to obtain any Third Party consents, permissions or approvals that are required in connection with the Transactions at the Purchaser's sole cost and expense, including remedying any deficiencies under any contracts and agreements assumed by the Purchaser or that otherwise from part of the Retained Assets. Upon providing prior written notice and sufficient documentary support, all reasonable and necessary costs, fees, expenses, penalties or levies that are incurred by the Company in order to effect the Transactions pursuant to the Reverse Vesting Order shall be the sole responsibility of the Purchaser, and the Purchaser agrees to pay on behalf of the Company any such reasonable and necessary costs, fees, expenses, penalties or levies on a timely basis.

4.2 Mutual Conditions

The obligation of the Purchaser to complete the Transactions, and of the Company to sell the Purchased Shares to the Purchaser, is subject to the following conditions precedent:

- (a) the Reverse Vesting Order being obtained; and
- (b) no stay or appeal or application to vary the Reverse Vesting Order shall have been filed with the Court at any time by the Company or any other Person on or before the Closing.

Unless otherwise agreed to by the Parties, if the conditions contained in this Section 4.2 have not been performed, satisfied or waived before the Outside Date, this Subscription Agreement and the obligations of the Company and the Purchaser under this Subscription Agreement (other than under Sections 9.11 and 9.14) shall automatically terminate without any further action on the part of either the Company or the Purchaser.

4.3 Purchaser's Conditions

The obligation of the Purchaser to purchase the Purchased Shares is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Purchaser and may be waived by the Purchaser:

- (a) the representations and warranties of the Company herein contained shall be true in all material respects when made and shall remain true as of the Closing Date; and
- (b) all obligations of the Company contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Purchaser, at or before the Outside Date, the Purchaser may rescind this Subscription Agreement by written notice to the Company. If the Purchaser rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 9.11 and 9.14.

4.4 Company's Conditions

The obligation of the Company to sell and issue the Purchased Shares is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Company and may be waived by the Company:

- (a) the representations and warranties of the Purchaser herein contained shall be true in all material respects when made and shall remain true as of the Closing Date;
- (b) all obligations of the Purchaser contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (c) all amounts to be paid by the Purchaser to the Company at Closing, including the Cash Component of the Purchase Price, shall have been paid to the Company in the form stipulated in this Subscription Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Company, at or before the Outside Date, the Company may rescind this Subscription Agreement by written notice to the Purchaser. If the Company rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 9.11 and 9.14.

4.5 Efforts to Fulfil Conditions Precedent

The Purchaser and the Company shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Company

The Company makes only the following representations to the Purchaser, which representations shall not survive Closing:

- (a) subject to obtaining the Reverse Vesting Order, the Company has the right to enter into this Subscription Agreement and to complete the Transactions; and
- (b) subject to obtaining the Reverse Vesting Order, this Subscription Agreement is, and all documents executed and delivered pursuant to this Subscription Agreement will be, legal, valid and binding obligations of the Company enforceable against it in accordance with their terms.

5.2 Representations and Warranties of the Purchaser

The Purchaser makes the following representations and warranties to the Company and agrees that the Company is relying on such representations and warranties for the purposes of entering into this Subscription Agreement:

- (a) the Purchaser is a corporation duly organized, validly existing and is authorized to carry on business in the provinces in which the Retained Assets are located;
- (b) the Purchaser has good right, full power and absolute authority to purchase and acquire the Purchased Shares according to the true intent and meaning of this Subscription Agreement;
- (c) the execution, delivery and performance of this Subscription Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which the Purchaser is bound;
- (d) this Subscription Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms;
- (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 the Retained Assets is required for the due execution, delivery and performance by the Purchaser of this Subscription Agreement, other than authorizations, approvals or exemptions from requirements previously obtained and currently in force or to be obtained prior to or after Closing;

- (f) the Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Subscription Agreement or the Transactions for which the Company shall have any obligation or liability;
- (g) the Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act*, RSC, 1985, c.28 (1st Supp).

5.3 Limitation of Representations by the Company

Notwithstanding any other provision of this Subscription Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Company set forth in Section 5.1, it is entering into this Subscription Agreement, acquiring the Purchased Shares (and the underlying Retained Assets and Retained Liabilities), in each case on an "as is, where is" basis as they exist as of Closing;
- (b) except as expressly stated in Section 5.1, none of the Company or the Creditor Trust or their respective Representatives is making, and the Purchaser is not relying on, any written or oral representations, warranties, statements, information, promises or guarantees, express or implied, statutory or otherwise, concerning the Transactions, the Company, the business of the Company, the Purchased Shares, the Retained Assets, the Retained Liabilities, the Transferred Assets and the Transferred Liabilities, including the right, title or interest of the Company in and to any of the foregoing, and any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Subscription Agreement, are hereby waived in their entirety by the Purchaser;
- (c) none of the Company, the Creditor Trust or any of their respective Representatives has made any representation or warranty as to any regulatory approvals, permits, licences, consents, registrations, filings or authorizations that may be needed to complete the Transactions or to obtain the benefit of the Retained Assets or any portion thereof, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;
- (d) the obligations of the Purchaser under this Subscription Agreement are not conditional upon any additional due diligence;
- (e) except for the representations and warranties of the Company set forth in Section 5.1, any information regarding or describing the Purchased Shares, the Retained Assets or the Retained Liabilities, or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Company or the Creditor Trust or any of their respective Representatives concerning the completeness or accuracy of such information or descriptions;

- (f) except as otherwise expressly provided in this Subscription Agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or claims the Purchaser might have against the Company, the Creditor Trust, or any of their respective Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties of the Company expressly set forth in Section 5.1 such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, completeness of warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights; and
- (g) the provisions of this Section 5.3 shall survive and not merge on Closing.

ARTICLE 6 INDEMNITIES

6.1 Purchaser's Indemnities for Representations and Warranties

The Purchaser shall be liable to the Company and the Creditor Trust for and shall, in addition, indemnify each of them and their respective Representatives from and against, all Losses suffered, sustained, paid or incurred by each of them or their respective Representatives which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 5.2 been accurate and truthful.

6.2 Post-Closing Date Indemnity

Provided that Closing has occurred, the Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which the Company, the Creditor Trust and their respective Representatives may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless the Company, the Creditor Trust and their respective Representatives from any and all Losses whatsoever which may be brought against or suffered by them or which it may sustain, pay or incur,

as a result of any matter or thing resulting from, attributable to or connected with the Company, the Retained Assets or the Retained Liabilities in all respects arising or accruing after Closing.

**ARTICLE 7
MAINTENANCE OF RETAINED ASSETS**

7.1 Maintenance of Retained Assets

From the date hereof until the Closing Date, the Company shall use reasonable commercial efforts, to the extent that the nature of its interest permits, and subject to the ARIO, the SISP Order and the Reverse Vesting Order:

- (a) maintain the Retained Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities; and
- (b) pay or cause to be paid all costs and expenses relating to the Retained Assets which become due from the date hereof to the Closing Date,

provided that nothing contained in the foregoing or elsewhere in this Subscription Agreement shall obligate the Company to post security, make any other financial contribution or file any undertaking with a Governmental Authority with respect to any liability management program or other program.

7.2 Consent of the Purchaser

Notwithstanding Section 7.1, the Company shall not from the date hereof to the Closing Date, without the written consent of the Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Retained Assets of which the Company's share is in excess of \$5,000, except: (i) in case of an emergency; (ii) as may be reasonably necessary to protect or ensure life and safety; (iii) to preserve the Retained Assets or title to the Retained Assets; or (iv) in respect of amounts which the Company may be committed to expend or be deemed to authorize for expenditure without its consent; provided, however, that should the Purchaser withhold its consent or fail to provide its consent in a timely manner and a reduction in the value of the Retained Assets results, there shall be no abatement or reduction in the Purchase Price;
- (b) other than pursuant to ordinary course expiries, surrender or abandon any of the Retained Assets, unless an expenditure of money is required to avoid the surrender or abandonment and the Purchaser does not provide same to the Company in a timely fashion, in which event the Retained Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price;
- (c) other than in ordinary course of business, materially amend or terminate any title document or enter into any new material agreement or commitment relating to the Retained Assets; or

- (d) sell, encumber or otherwise dispose of any of the Retained Assets or any part or portion thereof excepting: pursuant to preferential purchase rights; or sales of non- material obsolete or surplus equipment.

7.3 Proposed Actions

If an operation or the exercise of any right or option respecting the Retained Assets is proposed in circumstances in which such operation or the exercise of such right or option would result in the Purchaser incurring an obligation pursuant to Section 7.2, the following shall apply to such operation or the exercise of such right or option (hereinafter referred to as the “**Proposal**”):

- (a) the Company shall promptly give the Purchaser notice of the Proposal, describing the particulars in reasonable detail;
- (b) the Purchaser shall, not later than 48 hours prior to the time the Company is required to make its election with respect to the Proposal, advise the Company, by notice, whether the Purchaser wishes the Company to exercise the Company’s rights with respect to the Proposal on the Purchaser’s behalf, provided that the Purchaser’s failure to make such election within such period shall be deemed to be the Purchaser’s election to participate in the Proposal;
- (c) the Company shall make the election authorized (or deemed to be authorized) by the Purchaser with respect to the Proposal within the period during which the Company may respond to the Proposal; and
- (d) the Purchaser’s election (including its deemed election) to not participate in any Proposal required to preserve the existence of any of the Retained Assets shall not entitle the Purchaser to any reduction of the Purchase Price if the Company’s interest therein is terminated as a result of such election and such termination shall not constitute a failure or breach of the Company’s representations and warranties relating to such Retained Assets.

7.4 Licence Transfers

If for any reason, after Closing, a Governmental Authority requires the Purchaser or the Company or its nominee to make a deposit or furnish any other form of security, or undertake any corrective action or remedial work including inspections, tests or engineering assessments, the Purchaser shall make such deposit or furnish such other form of security or undertake such corrective or remedial work as may be required, at the Purchaser’s sole expense. All processing fees (including any fees required to be paid for expedited service) shall be for the Purchaser’s account.

7.5 Payments in Respect of Transferred Assets

If at any time after Closing, the Company, the Purchaser or any of their respective Affiliates receives a payment or other consideration in respect of or relating to a Transferred Asset (including a Tax Refund), the recipient of such payment or other consideration shall promptly notify the Company and promptly pay and transfer such payment or other consideration to the

Company, on behalf of the Creditor Trust. From and after Closing, the Company and the Purchaser shall provide reasonable cooperation to the Creditor Trust to enable the Creditor Trust to obtain the benefit of any Transferred Asset.

7.6 Agreement Regarding Fees

The Purchaser hereby acknowledges and agrees that it will be responsible for any and all fees incurred by the Purchaser in connection with the formulation, negotiation, submission, and pursuit of its bid.

ARTICLE 8 PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS

8.1 Company to Provide Access

Prior to Closing, the Company shall, subject to all contractual and fiduciary obligations, at the Calgary offices of the Company during normal business hours, provide reasonable access for the Purchaser and its Representatives to the records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Retained Assets and are in possession of the Company, as well as physical access to the Retained Assets (insofar as the Company can reasonably provide such access, with such access to be at the Purchaser's sole risk, expense and liability) to facilitate the Purchaser's review of the Retained Assets and title thereto for the purpose of completing these Transactions. The Purchaser shall indemnify and save harmless the Company and the Creditor Trust from and against all liabilities, claims and causes of action for personal injury, death or property damage occurring on or to such property as a result of such entry onto the premises. The Purchaser shall comply fully with all rules, regulations and instructions issued by the Company regarding the Purchaser's actions while upon, entering or leaving such properties. The Purchaser's obligations set forth in this Section 8.1 shall survive the Closing Date indefinitely.

8.2 Access to Information

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, the Purchaser shall, on request from the Company or the Creditor Trust, provide reasonable access to their Representative at the Purchaser's offices, during its normal business hours, to the agreements and documents to which the Retained Assets are subject and the contracts, agreements, records, books, documents, licences, reports and data which are then in the possession or control of the Purchaser and to make copies thereof, as they may reasonably require, including for purposes relating to:

- (a) the Creditor Trust's ownership of the Transferred Assets (including taxation matters and Losses that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);
- (b) enforcing its rights under this Subscription Agreement;
- (c) compliance with Applicable Law; or

- (d) any Claim commenced or threatened by any Third Party against the Creditor Trust, the Company or any of them.

8.3 Maintenance of Information

All of the information, materials and other records delivered to the Purchaser pursuant to the terms hereof shall be maintained by the Purchaser in good order and good condition and kept in a reasonably accessible location by the Purchaser for a period of two years from the Closing Date.

ARTICLE 9 GENERAL

9.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Subscription Agreement.

9.2 Liability of the Company or the Creditor Trust

Under no circumstances shall the Company or the Creditor Trust or any of their Representatives have any liability pursuant to this Subscription Agreement, or in relation to the Transactions whether such liability be in contract, tort or otherwise.

9.3 Entire Agreement

Except for the ARIO, the SISP Order, and the Reverse Vesting Order, the provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Subscription Agreement and, in the event of conflict, except for the ARIO, the SISP Order, or the Reverse Vesting Order, the provisions of this Subscription Agreement shall prevail. In the event that Closing occurs, except for the ARIO, the SISP Order, and the Reverse Vesting Order, this Subscription Agreement supersedes all other agreements (other than the Confidentiality Agreement between the Company and the Purchaser), documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the Transactions herein.

9.4 Governing Law

This Subscription 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 the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta and all disputes shall be determined within the CCAA Proceedings bearing Alberta Court of King's Bench Court Action No. 2301-16260. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Subscription Agreement.

9.5 Assignment and Enurement

This Subscription Agreement shall not be assigned by the Purchaser without the prior written consent of the Company, which consent may be unreasonably and arbitrarily withheld. This Subscription Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

9.6 Time of Essence

Time is of the essence in this Subscription Agreement.

9.7 Notices

The addresses and fax numbers of the Parties for delivery of notices hereunder shall be as follows:

Company: Free Rein Resources Ltd.
Suite 3900, 350 – 7th Avenue SW
Calgary, AB T2P 3N9

C/o FTI Consulting Canada Inc.
520 5th Avenue SW, Suite 1610
Calgary, AB T2P 3R7

Attention: Dustin Olver/Brett Wilson
Email:
brett.wilson@fticonsulting.com/dustin.olver@fticonsulting.com

With a copy to its legal counsel at:

Cassels Brock & Blackwell LLP
888 3rd Street SW, Suite 3810
Calgary, AB T2P 5C5

Attention: Jeffrey Oliver
Email: joliver@cassels.com

Purchaser: Invico Diversified Income Limited Partnership
209 8th Avenue SW, Suite 600
Calgary, AB T2P 1B8

Attention: Chris Wutzke / Curt Labelle / David Hawkins
Email: cwutzke@invicocapital.com / clabelle@invicocapital.com / dhawkins@invicocapital.com

With a copy to its legal counsel at:

Fasken Martineau DuMoulin LLP
Suite 3400, 350 7 Avenue SW
Calgary, AB T2P 3N9

Attention: Robyn Gurofsky
Email: rgurofsky@fasken.com

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered;
- (b) by email to a Party to the email address of such Party for notices, in which case, if the notice was emailed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was emailed and if it is emailed on a day which is not a Business Day or is emailed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party on the fourth Business Day following the date of mailing.

A Party may from time to time change its address for service, email address for service or designated representative by giving written notice of such change to the other Party.

9.8 Invalidity of Provisions

In case any of the provisions of this Subscription 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.

9.9 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 by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and made in accordance with the Subscription Agreement. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

9.10 Amendment

This Subscription 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.

9.11 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Purchased Shares, the Retained Assets and this Subscription Agreement, and shall not release any information concerning this Subscription Agreement and the Transactions without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information: (i) to any Governmental Authority or to the public if required by Applicable Law (provided that the Purchaser shall advise the Company in advance of the content of any such public statement); (ii) in connection with obtaining the Reverse Vesting Order; or (iii) as required by the Company's secured creditors.

9.12 Sealing Order

The Company may, at its discretion, apply to the Court for a sealing order with respect to confidential materials prepared by the Company or the Monitor containing the financial and other confidential details of these Transactions (the "**Confidential Materials**"), such order sealing the Confidential Materials and the confidential information contained therein from the public court file for the period directed by the Court. Pursuant to the terms of such sealing order applied for by the Company, if granted, only the judge presiding over the CCAA Proceedings, the Purchaser and their respective Representatives and the secured creditors of the Company who have executed confidentiality agreements, and subject to the terms of those confidentiality agreements, shall have access to the Confidential Materials and the confidential information contained therein.

9.13 Termination

This Subscription Agreement may be terminated at any time prior to Closing:

- (a) by mutual written agreement of the Company and the Purchaser; or
- (b) by either the Company or the Purchaser pursuant to the provisions of Sections 4.2, 4.3 or 4.4, as applicable.

In the event that this Subscription Agreement is terminated, each Party shall be released from all obligations under or in connection with this Subscription Agreement, other than the provisions with respect to confidentiality (Section 9.11) and the use of personal information (Section 9.14).

9.14 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained or reviewed

by the Purchaser in connection with these Transactions only for those purposes for which it was initially collected from or in respect of the individual to which such information relates, unless:

- (a) the Company or the Purchaser has first notified such individual of such additional purpose, and where required by the Applicable Laws, obtained the consent of such individual to such additional purpose; or
- (b) such use or disclosure is permitted or authorized by Applicable Laws, without notice to, or consent from, such individual; and
- (c) the Purchaser's obligations set forth in this Section 9.14 shall survive the Closing Date indefinitely.

(Remainder of page intentionally left blank)

9.15 Counterpart Execution

This Subscription Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this Subscription Agreement as of the date first above written.

FTI CONSULTING CANADA INC. in its capacity as court appointed Monitor with enhanced powers over FREE REIN RESOURCES LTD. and not in its personal or corporate capacity

INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP by its general partner INVICO DIVERSIFIED INCOME MANAGING GP INC.

Per: _____
Name: Dustin Olver
Title: Senior Managing Director

Per: _____
Name: ●
Title: President

THE FOLLOWING COMPRISES SCHEDULE “A” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED ●, 2024 BETWEEN FREE REIN RESOURCES LTD. AND ●.

Form of Reverse Vesting Order

THE FOLLOWING COMPRISES SCHEDULE “B” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED ●, 2024, BETWEEN FREE REIN RESOURCES LTD. AND INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP BY ITS GENERAL PARTNER INVICO DIVERSIFIED INCOME MANAGING GP INC.

Transferred Assets

The Transferred Assets, being those assets proposed to be transferred to the Creditor Trust through operation of the Reverse Vesting Order, mean:

- the Cash Component; and
- any other assets of the Company designated as a Transferred Asset upon the mutual agreement of the Purchaser and the Monitor, in writing prior to Closing.

Transferred Liabilities

The Transferred Liabilities, being those liabilities proposed to be transferred to the Creditor Trust through operation of the Reverse Vesting Order, mean:

- any and all claims, including trade claims, other unsecured claims, contingent or otherwise, and any secured claims secured by security, but excluding any liabilities arising on a post-filing basis and excluding any liabilities owed to Invico Diversified Income Limited Partnership;
- any actual or contingent liabilities of the Company as related to Court of King’s Bench of Alberta Action Number 2301-00682 as between 1591195 Alberta Ltd. and Puravida Exploration Inc. as plaintiffs and the Company as defendant;
- any actual or contingent liabilities of the Company as related to Court of King’s Bench of Alberta Action Number 2102-08152 as between 1591195 Alberta Ltd. and Puravida Exploration Inc. as plaintiffs and Newgrange Energy Inc. and Terry McCallum as defendants;
- any Gross Overriding Royalty issued to “Shareholders” and registered at the Mines and Minerals Registry against the Company’s interests, including as against:
 - Well 100/06-26-051-27W4/02;
- the Royalty Agreement dated October 30, 2018 between the Company and Newgrange Energy Inc.;
- the Royalty Agreement dated June 29, 2018 between Newgrange Energy Inc. and Puravida Exploration Inc., where applicable;

- the Royalty Agreement dated June 29, 2018 between Newgrange Energy Inc. and 1591195 Alberta Ltd., where applicable;
- to the extent it remains in force, the Joint Venture Agreement made as of the 1st day of March 2023 between the Company and Legacy Disposal Facility Ltd. and any claims against the Company arising therefrom;
- to the extent they remain in force, the memorandum of understanding dated May 1, 2020 and the joint venture agreement dated June 1, 2020, each between the Company and Nucor Environmental Solutions Ltd., and any claims against the Company arising therefrom;
- any and all promissory notes issued by the Company;
- any and all operating and tax liabilities related to the Transferred Assets;
- any and all operating liabilities to the extent they are trade claims, trade payables, utility bills or other unsecured claims, and excluding any amounts that would constitute a priority claim on or against any Retained Assets;
- any and all liabilities associated with shareholder loans to the Company;
- any and all trade claims, trade payables or other unsecured claims;
- any and all liabilities relating to any employment agreements, severance payments and/or termination payments; and
- the Administration Charge as described and defined in the ARIO and any subsequent orders of the Court.

Retained Assets

The Retained Assets, being those assets proposed to be retained by the Company, mean:

- The O&G Assets, being all of the oil and gas assets owned by Free Rein, including but not limited to wells, facilities pipelines, and any assets related thereto;
- all land and joint venture leases, contracts, records and schedules, with the exception of the joint venture agreements related to the disposal well at 13-23-51-27W4 site;
- All geological and/or seismic data, in whatever form, owned by Free Rein;
- Computer equipment and office technology, such as printers, video conferencing equipment, etc., an any software or data contained thereon;

- All licenses for software, whether computer or cloud based;
- All agreements and assets related to a project proposed by Free Rein to develop a new Carbon Hub for Alberta, including all work product, files and data prepared for Free Rein by Mike Monea and Dr. Chris Galas, represented by Free Rein to be the Director of Carbon Capture and the Director of Carbon Storage, respectively;
- All agreements and assets related to a project proposed by Free Rein to supply hydrogen to the transportation sector, including an MOU with the Alberta Motor Transport Association and AER approval for a waterflood project and financing;
- all organizational documents, corporate books and records, income tax returns and the corporate seal, if any, of Free Rein;
- Internal programs, policies or systems associated with regulatory and operations of oil and gas assets (i.e. safety programs, ERP, spill co-ops, etc.);
- Any pre-paid insurance policies protecting against loss of assets or liability for damages, including but not limited to commercial and directors and officers insurance policies;
- Any security posted or held by the AER for or in the name of Free Rein, including interest accrued thereon (the “**AER Security**”);
- Licenses issued in respect of the O&G Assets (the “**Licenses**”);
- all regulatory and license attributes of Free Rein, including without limitation: business numbers, payroll numbers, GST numbers and AER operator codes;
- non-capital losses, tax pools and other tax attributes;
- all assets and environmental permits and licenses related to disposal well at the 13-23-51-27W4 site and a waste management facility (constructed under AER WM 221) that began operations November 2021;
- any and all rights of the Company under this Subscription Agreement and the Reverse Vesting Order; and
- all rights, Losses or causes of action by or on behalf of the Company against any Person.

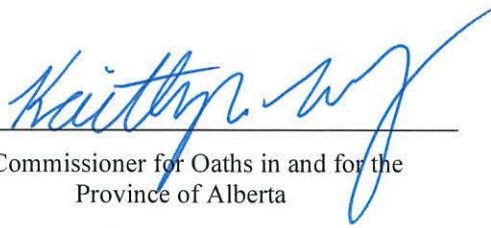
Retained Liabilities

The Retained Liabilities, being those liabilities proposed to be retained by the Company, mean:

- all liabilities associated with the Invico Secured Debt;

- all new liabilities incurred, assumed or accepted by Free Rein after closing; and
- any and all regulatory, environmental and government liabilities related to the O&G Assets and the Licenses.

This is Exhibit "C"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

BINDING TERM SHEET FOR REVERSE VESTING TRANSACTION

This binding term sheet (the "**Term Sheet**") sets forth the agreement of the parties hereto (the "**Parties**") with respect to the proposed share transaction which is described herein (the "**Proposed Transaction**") wherein Invico Diversified Income Limited Partnership (the "**Lender**") or its nominee shall become the sole shareholder of Free Rein Resources Ltd. (the "**Debtor**" or "**Free Rein**").

The Parties acknowledge that this Term Sheet is provided in connection with the sale and investment solicitation process ("**SISP**") administered by FTI Consulting Canada Inc. in its capacity as proposal trustee of the Debtor, and not in its personal or corporate capacity (the "**Proposal Trustee**"), appointed in the proceedings commenced by the Debtor pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**NOI Proceedings**").

The Parties further acknowledge that due to, among other things, a material adverse change in the operations of the Debtor, the SISP failed, and as a result, the Lender has submitted a new offer to purchase shares in the Debtor, on the terms and conditions contained herein.

The Parties further acknowledge that the Lender has applied to the Court of King's Bench of Alberta (the "**Court**") for an order to convert the NOI Proceedings to proceedings pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to a CCAA initial order (the "**Initial Order**") and an Amended and Restated Initial Order (the "**ARIO**"), and that the Proposal Trustee be appointed as monitor with enhanced powers over the Debtor (the "**Monitor**").

Upon execution of this Term Sheet by the Parties, and subject to its terms, this Term Sheet shall create a binding legal obligation on the part of the Parties, subject to the terms and conditions of any definitive agreements as may be negotiated by the Parties, of the RVO (defined below), and approval of the Court.

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| 1. Purchaser | The Lender or its nominee (the " Purchaser "). The Lender is the senior secured creditor of Free Rein Resources Ltd. and is owed \$6,144,062.83, including principal, accrued but unpaid interest and loan administration fees, and legal fees incurred by Lender for the account of Free Rein Resources Ltd. as at December 4, 2023 (the " Invico Secured Debt "). |
| 2. Seller: | FTI Consulting Ltd. in its capacity as Monitor of the Debtor, and not in its personal or corporate capacity. On June 12, 2023, the Debtor filed a notice of intention to make a proposal to creditors, commencing the NOI Proceedings. The Court File Number and Estate Number for the NOI Proceedings are 25-2954304 and B201954304, respectively. The NOI Proceedings were continued under the CCAA pursuant to an Initial Order and the ARIO granted on December 4, 2023. |

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| 3. Closing Date: | Closing of the Proposed Transaction (" Closing ") shall occur thirty (30) business days following the waiver or satisfaction of the closing conditions, or such earlier or later date as agreed by the Parties (the " Closing Date "). |
| 4. Proposed Transaction: | <p>A. The Purchaser shall prepare a subscription agreement pursuant to which the Purchaser offers to purchase newly issued shares in the Debtor. Pursuant to the terms and conditions of a reverse vesting order ("RVO") and Section 192 of the <i>Business Corporations Act</i> (Alberta) (the "ABCA"), the articles of incorporation of the Debtor will be reorganized to provide for the following, among other things, in such order as to be determined by the Purchaser in the definitive documents: (i) to authorize the issuance of a new class of common shares (the "New Shares"); (ii) to remove all rights and restrictions of all classes of existing common shares (the "Existing Shares"), if any; and (iii) cause the Existing Shares to be redeemable for nominal or no value (the "Articles of Reorganization"). On Closing: (a) the Purchaser shall subscribe for New Shares (the "Purchased Shares") for a subscription amount equal to the Purchase Price (defined below); and (b) the Existing Shares shall be redeemed for no consideration in accordance with the Articles of Incorporation. Through the issuance of the Purchased Shares, the Purchaser will acquire the Debtor, with the exception of certain Excluded Assets and Excluded Liabilities, outlined below, and shall become the sole shareholder of the Debtor.</p> <p>Further, the RVO shall (i) vest all of the Excluded Assets and Excluded Liabilities absolutely and without recourse and subject to all existing encumbrances, including the charges created under the Initial Order and ARIO, in and to a trust created for the benefit of the existing creditors of the Debtor (the "Residual Trust"), of which the Monitor will be the trustee (in such capacity, the "Residual Trust Trustee") for the purpose of administering the Residual Trust; (ii) declare all Excluded Liabilities to be solely claims against the Excluded Assets to be administered by the Trust; (iii) discharging the Monitor with respect to the Debtor and terminating the CCAA Proceedings with respect to the Debtor; and (iv) notwithstanding the foregoing, declaring that the Debtor shall remain liable for any liabilities retained by the Debtor in the proposed transaction.</p> <p>After Closing, the Monitor, in its capacity as the Trustee, shall administer the Trust in accordance with the terms of a Trust Settlement and any orders issued by the Court.</p> |

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| <p>5. Consideration:</p> | <p>The total aggregate purchase price paid by the Purchaser for the Proposed Transaction shall be (the "Purchase Price"): (i) the Cash Component (as defined below); and (ii) the assumption of the Invico Secured Debt.</p> <p>The Purchase Price shall be satisfied as follows:</p> <ul style="list-style-type: none">(a) a cash payment of \$1.00;(b) a cash payment to satisfy the Priority Payables;(c) the assumption or payment of Cure Costs (together with the Priority Payables, the "Cash Component"); and(d) the assumption of the entirety of the Invico Secured Debt, which includes any further accrued but unpaid interest, monitoring fees and legal fees incurred by Lender for the account of the Debtor in accordance with its terms between December 4, 2023 and the Closing Date, such that it will remain a continuing obligation of the Company after Closing. <p>"Priority Payables" means any current or future amounts owing as secured by any charges, liens or interest that rank in priority to the Invico Secured Debt, including without limitation any Court ordered charges or statutory priority claims, but does not include the Excluded Liabilities, plus the amount of up to \$50,000 to be used by the Residual Trust Trustee to administer the Residual Trust.</p> <p>"Cure Costs" means any costs required to bring any arrears current or rectify any monetary defaults on contracts which are Retained Assets (as set out in Section 10 below).</p> |
| <p>6. Representations and Warranties:</p> | <p>The issuance of the Purchased Shares to the Purchaser, shall be on an "as is, where is basis", with no representations or warranties except as otherwise agreed between the Parties.</p> |
| <p>7. Transfer Taxes:</p> | <p>The Purchase Price is exclusive of all transfer taxes, including GST, and the Purchaser shall pay, or shall otherwise be responsible for, all transfer taxes and GST which may become payable in connection with the purchase of the Proposed Transaction. The Parties shall, acting reasonably, mutually agree upon an allocation of the consideration payable hereunder in such a manner as will reduce transfer taxes payable in the Proposed Transaction to the greatest extent possible.</p> |

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| <p>8. Transferred Assets:</p> | <p>The following assets of the Debtor shall be transferred to the Residual Trust on or prior to closing (collectively, the "Excluded Assets"): </p> <ul style="list-style-type: none">• The Cash Component;• any other assets of the Debtor designated as an Excluded Asset upon the mutual agreement of the Purchaser and the Monitor, in writing prior to Closing. |
| <p>9. Transferred Liabilities:</p> | <p>All liabilities of the Debtor, with the exception of the Retained Liabilities, shall be transferred to and assumed by the Residual Trust on or prior to Closing (collectively, the "Excluded Liabilities"), in consideration for the transfer to the Trust of the Excluded Assets, including:</p> <ul style="list-style-type: none">• any and all claims, including trade claims, other unsecured claims, contingent or otherwise, and any secured claims secured by security, but excluding any liabilities arising on a post-filing basis and excluding any liabilities associated with the Invico Secured Debt.• any actual or contingent liabilities of the Debtor as related to Court of King’s Bench of Alberta Action Number 2301-00682 as between 1591195 Alberta Ltd. and Puravida Exploration Inc. as plaintiffs and the Debtor as defendant.• any actual or contingent liabilities of the Debtor as related to Court of King’s Bench of Alberta Action Number 2102-08152 as between 1591195 Alberta Ltd. and Puravida Exploration Inc. as plaintiffs and Newgrange Energy Inc. and Terry McCallum as defendants.• any Gross Overriding Royalty issued to “Shareholders” and registered at the Mines and Minerals Registry against the Debtors’ interests, including as against:<ul style="list-style-type: none">○ Well 100/06-26-051-27W4/02• the Royalty Agreement dated October 30, 2018 between Free Rein Resources Ltd. and Newgrange Energy Inc.• the Royalty Agreement dated June 29, 2018 between Newgrange Energy Inc. and Puravida Exploration Inc., where applicable.• the Royalty Agreement dated June 29, 2018 between Newgrange Energy Inc. and 1591195 Alberta Ltd., where applicable. |

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| | <ul style="list-style-type: none">• to the extent it remains in force, the Joint Venture Agreement made as of the 1st day of March 2023 between the Company and Legacy Disposal Facility Ltd. and any claims against the Company arising therefrom;• to the extent they remain in force, the memorandum of understanding dated May 1, 2020 and the joint venture agreement dated June 1, 2020, each between the Company and Nucor Environmental Solutions Ltd., and any claims against the Company arising therefrom;• any and all promissory notes issued by the Company;• any and all operating and tax liabilities related to the Excluded Assets;• any and all operating liabilities to the extent they are trade claims, trade payables, utility bills or other unsecured claims, and excluding any amounts that would constitute a priority claim on or against any Retained Assets;• any and all liabilities associated with shareholder loans to the Company;• any and all trade claims, trade payables or other unsecured claims;• any and all liabilities relating to any employment agreements, severance payments and/or termination payments; and• the Administration Charge as described and defined in the ARIO and any subsequent orders of the Court.• any other liabilities designated by the Purchaser as an Excluded Liability in the definitive documents. <p>For greater certainty, the Excluded Liabilities will retain the same priority they have against the Debtor as against the Trust as at the date that the Transaction certificate is filed, including the charges created under the Initial Order and the ARIO.</p> |
| 10. Retained Assets | <p>The Debtor shall retain the following assets following closing of the Transaction:</p> <ul style="list-style-type: none">- All of the oil and gas assets owned by the Debtor, including but not limited to wells, facilities pipelines, and any assets related thereto; |

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| | <ul style="list-style-type: none">- all land and joint venture leases, contracts, records and schedules, with the exception of the joint venture agreements related to the disposal well at 13-23-51-27W4 site;- All geological and/or seismic data, in whatever form, owned by the Debtor;- Computer equipment and office technology, such as printers, video conferencing equipment, etc., and any software or data contained thereon;- All licenses for software, whether computer system based or cloud or internet based.- All agreements and assets related to a project proposed by Free Rein to develop a new Carbon Hub for Alberta, including all work product, files and data prepared for Free Rein by Mike Monea and Dr. Chris Galas, represented by Free Rein to be the Director of Carbon Capture and the Director of Carbon Storage, respectively;- All agreements and assets related to a project proposed by Free Rein to supply hydrogen to the transportation sector, including an MOU with the Alberta Motor Transport Association and AER approval for a waterflood project and financing;- all organizational documents, corporate books and records, income tax returns and the corporate seal, if any, of Free Rein;- Internal programs, policies or systems associated with regulatory and operations of oil and gas assets (i.e. safety programs, ERP, spill co-ops, etc.);- Any pre-paid insurance policies protecting against loss of assets or liability for damages, including but not limited to commercial and directors and officers insurance policies;- Any security posted or held by the AER for or in the name of Free Rein, including interest accrued thereon (the "AER Security");- Licenses issued in respect of the oil and gas assets (the "Licenses");- All regulatory and license attributes of Free Rein, including without limitation: business numbers, payroll numbers, GST numbers and AER operator codes; |
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| | <ul style="list-style-type: none">- All tax attributes, including without limitation: non-capital losses available for carry forward and depreciable tax pools;- all assets and environmental permits and licenses related to disposal well at the 13-23-51-27W4 site and a waste management facility (constructed under AER WM 221) that began operations November 2021;- any and all rights of the Company under this Subscription Agreement and the Reverse Vesting Order;- Any claims or causes of action available to Free Rein as may be identified in the definitive documents; and- Such other assets as may be identified in the development of the definitive documents. |
| 11. Retained Liabilities | <p>The Debtor shall retain the following liabilities following closing of the Transaction:</p> <ul style="list-style-type: none">- All liabilities associated with the Invico Secured Debt;- all new liabilities incurred, assumed or accepted by Free Rein after closing;- Any and all liabilities associated with the Licenses and other related environmental liabilities;- Any further liabilities as may be identified in the definitive documents. |
| 12. Transaction Implementation Steps | <p>The following represent the transaction implementation steps, provided, however, that such steps may be reordered in the definitive documents, for the purposes of maintaining certain attributes associated with the transaction:</p> <ol style="list-style-type: none">1. All of Free Rein's right, title and interest in and to the Excluded Assets (including, for certainty, the Cash Component of the Purchase Price) shall vest absolutely and exclusively in the Residual Trust and all claims and encumbrances attached to the Excluded Assets shall continue to attach to the Excluded Assets with the same nature and priority as they had immediately prior to their transfer.2. Concurrently with step 1 above, all Excluded Liabilities shall be transferred to, assumed by and vest absolutely |

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| | <p>and exclusively in the name of the Residual Trust and the Excluded Liabilities shall be novated and become obligations of the Residual Trust and not liabilities of Free Rein.</p> <ol style="list-style-type: none">3. Concurrently with step 2 above, Free Rein shall be forever released and discharged from all Excluded Liabilities, and all encumbrances securing transferred liabilities shall be forever released and discharged in respect of Free Rein and the Retained Assets.4. Free Rein shall issue the New Shares, free and clear of any claims or encumbrances, in consideration for the Purchase Price. The Purchase Price shall be delivered by the Purchaser to the Monitor on behalf of Free Rein, and then immediately following this step 4, the Purchase Price shall be deemed to be held by the Monitor on behalf of the Residual Trust.5. Concurrently with step 4 above, any and all outstanding shares of Free Rein, other than the Purchased Shares, and any and all options, warrants and other rights and entitlements to shares of Free Rein, shall be, and shall be deemed to be cancelled and terminated for no consideration, resulting in no further claim against Free Rein or the Residual Trust.6. Immediately after step 4 above, any directors of Free Rein immediately prior to the Closing, shall be deemed to resign and Allison Taylor and Jason Brooks shall be deemed to be appointed as directors of Free Rein. |
| 13. Conditions to Closing: | <p>The Parties' obligation to close the Proposed Transaction will be subject to the following conditions precedent (collectively, the "Closing Conditions"): </p> <ol style="list-style-type: none">a) the granting of a RVO, in a form satisfactory to the Parties, acting reasonably;b) the RVO becoming a final order, not subject to any stay or filed appeal (a "Final Order");c) executing definitive documents; andd) Closing Date shall occur on or before March 15, 2024 or such other date as the Purchaser and the Monitor may agree. |
| 14. Governing Law: | <p>This Term Sheet will be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.</p> |

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| 15. Counterparts: | This Term Sheet may be executed and delivered electronically in two or more counterparts, any one of which need not contain the signature of more than one Party, but all such counterparts taken together shall constitute one and the same instrument. |
| 16. Assignment | The Purchaser may assign the Term Sheet with the prior written consent of the Monitor, which shall not be unreasonably withheld. |
| 17. Further Assurances: | <p>Each of the Parties hereto shall at the request and expense of the other Party hereto so requesting execute and deliver such further or additional documents and instruments as may reasonably be considered necessary or desirable to properly reflect and carry out the true intent and meaning of this Term Sheet.</p> <p>The Parties shall each use commercially reasonable efforts to satisfy the Closing Conditions and implement the Proposed Transaction as soon as practicable. The Parties shall cooperate with each other in a timely and commercially reasonable manner to satisfy the Closing Conditions and implement the Proposed Transaction soon as practicable.</p> <p>The Parties shall duly prepare and execute such further and other documents, and take such further and other actions, as may be reasonably necessary in order to implement and give effect to the Proposed Transaction and the transactions and benefits contemplated thereby (collectively, the "Closing Actions").</p> <p>The Parties hereby recognize and agree that the order of the steps required to effect the Proposed Transaction shall be clarified in the definitive documents.</p> |
| 18. Binding Term Sheet: | All of the Parties hereby agree and acknowledge that this Term Sheet represents a binding agreement of the Parties with respect to the subject matter provided for herein, subject to the negotiation and executive of definitive documents. |
| 19. Interpretation: | Capitalized terms not otherwise defined herein have the meaning set forth in the RVO, the ARIO or such other documents filed with the Court in support thereof. |

Signature page to follow

Dated effective as to the __ day of February, 2024

Invico Diversified Income Limited Partnership,
By its General Partner,
Invico Diversified Income Managing GP Inc.

Per:

FTI Canada Consulting Inc. in its capacity
as court-appointed Monitor with enhanced powers
of Free Rein Resources Ltd. and not in its personal
or corporate capacity

Per:

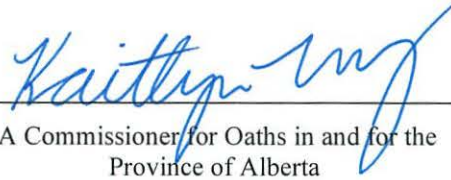
This is Exhibit "D"

Referred to in the Affidavit of

CHRIS WUTZKE

Sworn before me this 2nd day of

February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

Free Rein Resources Ltd.

Property Report - Mineral

Title:

| | | | | | | | | | |
|--|-------------------------|--|----------------|----------------------|--|---------------------------------|---------------------------------|---------------------|----------------|
| M00018-A | Status | Active | Lease date | Sep-08-2022 | Gross rental | 672.00 | Hectares | Gross | Net |
| | Name/ID | 0422090019 | Expiry date | | Net rental | 672.00 | Developed | 0.000 | 0.000 |
| | Type | Petroleum & Natural Gas Lease | Extension date | | Next rental date | Sep-08-2023 | Undeveloped | 192.000 | 192.000 |
| | Area | Golden Spike | Extension | | Paid by | FREE REIN RESOURCES LTD. | Total | 192.000 | 192.000 |
| | Prov/State | Alberta | Terminated | | | | | | |
| Min int | 100.00000000 | | | | | | | | |
| Int type | Working Interest | | | | | | | | |
| Lands | | | | | DOI | Percentage | Flags | Notes | |
| TWP 51 RGE 27 W4M N 10 | | | | | INITIAL SET UP - Default / Rental | 100.00000000% | | | |
| TWP 51 RGE 27 W4M SW 10 | | | | | FREE REIN RESOURCES LTD. | | | | |
| P&NG from Surface to Base Mannville | | | | | | | | | |
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |
| | | | | | | | | | |
| Royalty Type | Product | Method | Rate | Conv | Payee | Payor | Source | | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | |
| Remarks | | | | | | | | | |
| | | | | | | | | | |
| M00017-A | Status | Active | Lease date | Sep-08-2022 | Gross rental | 224.00 | Hectares | Gross | Net |
| | Name/ID | 0422090018 | Expiry date | | Net rental | 224.00 | Developed | 0.000 | 0.000 |
| | Type | Petroleum & Natural Gas Lease | Extension date | | Next rental date | Sep-08-2023 | Undeveloped | 64.000 | 64.000 |
| | Area | Golden Spike | Extension | | Paid by | FREE REIN RESOURCES LTD. | Total | 64.000 | 64.000 |
| | Prov/State | Alberta | Terminated | | | | | | |
| Min int | 100.00000000 | | | | | | | | |
| Int type | Working Interest | | | | | | | | |
| Lands | | | | | DOI | Percentage | Flags | Notes | |
| TWP 51 RGE 27 W4M SE 10 | | | | | INITIAL SET UP - Default / Rental | 100.00000000% | | | |
| P&NG from Surface to Base Viking | | | | | FREE REIN RESOURCES LTD. | | | | |
| Natural Gas In Mannville | | | | | | | | | |
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |
| | | | | | | | | | |
| Royalty Type | Product | Method | Rate | Conv | Payee | Payor | Source | | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | |
| Remarks | | | | | | | | | |
| | | | | | | | | | |
| M00001-A | Status | Active | Lease date | Jul-15-1970 | Gross rental | 896.00 | Hectares | Gross | Net |
| | Name/ID | 22254 | Expiry date | Jul-14-1980 | Net rental | 896.00 | Developed | 256.000 | 256.000 |
| | Type | Petroleum & Natural Gas Lease | Extension date | Jul-14-2099 | Next rental date | Jul-14-2022 | Undeveloped | 0.000 | 0.000 |
| | Area | Golden Spike | Extension | Section 18(6) | Paid by | Imperial Oil Limited | Total | 256.000 | 256.000 |
| | Prov/State | Alberta | Terminated | | | | | | |
| Min int | 100.00000000 | | | | | | | | |
| Int type | Working Interest | | | | | | | | |
| Lands | | | | | DOI | Percentage | Flags | Notes | |
| TWP 51 RGE 27 W4M 22 | | | | | WORKING INTEREST - Default | 100.00000000% | | | |
| P&NG from Surface to Top Leduc | | | | | FREE REIN RESOURCES LTD. | | | | |
| | | | | | RENTAL - Rental | 50.00000000% | | | |
| | | | | | FREE REIN RESOURCES LTD. | | | | |

Free Rein Resources Ltd.

Property Report - Mineral

Title:

| | | | | | | | | | | IMPERIAL OIL RESOURCES LIMITED | | 50.00000000% | | O | |
|---|--|-------------------------------|-----------------------------|---------------|--------------------------------|----------------------|--------------------------|--------------|------------|--------------------------------|--|--------------|--|---|--|
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR | | | | | | |
| 104/09-22-051-27W4/00 | Nisku | Abandoned Zone | Oil | 100.00000000 | C00001 - A | Contract | Active | Oct-30-2018 | | | | | | | |
| 104/09-22-051-27W4/02 | Ellerslie Member | Suspended | Gas | 100.00000000 | C00011 - A | Contract | Active | Nov-01-2018 | | | | | | | |
| 104/09-22-051-27W4/03 | | Cased | | 100.00000000 | C00018 - A | Contract | Historical | Jul-19-2001 | | | | | | | |
| 103/16-22-051-27W4/00 | Leduc | Abandoned Zone | Oil | 0.00000000 | S00015 | Surface | Active | Jan-01-1988 | | | | | | | |
| 103/16-22-051-27W4/02 | Wabamun Group | Suspended | Gas | 100.00000000 | S00040 | Surface | Active | Oct-26-1948 | | | | | | | |
| 100/05-22-051-01W5/00 | Ellerslie Member | Abandoned Zone | Gas | 100.00000000 | | | | | | | | | | | |
| 100/05-22-051-01W5/03 | Belly River | Abandoned | Gas | 100.00000000 | | | | | | | | | | | |
| Royalty Type | Product | Method | Rate | Conv | Payee | Payor | Source | | | | | | | | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | | | | | | | |
| Gross Overriding Royalty | All | Fixed | 5% based on 100% Production | No | Newgrange Energy Inc. | 50.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | C00001 - A | | | | | | |
| Remarks | | | | | | | | | | | | | | | |
| General | THIS LEASE IS SET UP AS A CROWN LEASE - BUT HAS A SUBLEASE ATTACHED WHICH IS HOW FREE REIN HAS THEIR WI. | | | | | | | | | | | | | | |
| | IOL IS SUBLESSOR FRR IS SUBLESSEE | | | | | | | | | | | | | | |
| | IOR DOES NOT DO TRUST AGREEMENTS | | | | | | | | | | | | | | |
| M00001-B | Status | Active | Lease date | Jul-15-1970 | Gross rental | 896.00 | Hectares | Gross | Net | | | | | | |
| | Name/ID | 22254 | Expiry date | Jul-14-1980 | Net rental | 896.00 | Developed | 256.000 | 256.000 | | | | | | |
| | Type | Petroleum & Natural Gas Lease | Extension date | Jul-14-2099 | Next rental date | Jul-14-2022 | Undeveloped | 0.000 | 0.000 | | | | | | |
| | Area | Golden Spike | Extension | Section 18(6) | Paid by | Imperial Oil Limited | Total | 256.000 | 256.000 | | | | | | |
| | Prov/State | Alberta | Terminated | | | | | | | | | | | | |
| | Min int | 100.00000000 | | | | | | | | | | | | | |
| | Int type | Working Interest | | | | | | | | | | | | | |
| Lands | | | | | DOI | Percentage | Flags | Notes | | | | | | | |
| TWP 51 RGE 27 W4M 23 P&NG from Surface to Top Leduc Excluding P&NG In Glauconitic Sandstone | | | | | INITIAL SET UP - Default | | | | | | | | | | |
| | | | | | FREE REIN RESOURCES LTD. | 100.00000000% | O | | | | | | | | |
| | | | | | RENTAL - Rental | | | | | | | | | | |
| | | | | | FREE REIN RESOURCES LTD. | 50.00000000% | | | | | | | | | |
| | | | | | IMPERIAL OIL RESOURCES LIMITED | 50.00000000% | O | | | | | | | | |
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR | | | | | | |
| 100/02-23-051-27W4/00 | Nisku | Suspended | Oil | 0.00000000 | C00001 - A | Contract | Active | Oct-30-2018 | | | | | | | |
| 100/06-23-051-27W4/00 | Nisku | Pumping | Oil | 100.00000000 | C00011 - A | Contract | Active | Nov-01-2018 | | | | | | | |
| 102/07-23-051-27W4/00 | Nisku | Pumping | Oil | 100.00000000 | C00018 - A | Contract | Historical | Jul-19-2001 | | | | | | | |
| 102/09-23-051-27W4/00 | | Cancelled | Oil | 0.00000000 | S00014 | Surface | Active | Sep-01-2004 | | | | | | | |
| 103/09-23-051-27W4/00 | Nisku | Pumping | Oil | 100.00000000 | S00018 | Surface | Active | May-13-2005 | | | | | | | |
| 100/10-23-051-27W4/00 | Leduc | Abandoned Zone | Oil | 0.00000000 | S00027 | Surface | Active | Sep-25-1964 | | | | | | | |
| 100/10-23-051-27W4/02 | Glauconitic Sandstone | Flowing | Gas | 100.00000000 | S00028 | Surface | Active | Sep-01-2004 | | | | | | | |
| 102/10-23-051-27W4/00 | Nisku | Abandoned Zone | Oil | 100.00000000 | S00029 | Surface | Active | Sep-01-2004 | | | | | | | |
| 102/10-23-051-27W4/02 | Leduc | Suspended | Oil | 0.00000000 | S00031 | Surface | Active | Sep-01-2004 | | | | | | | |
| 102/10-23-051-27W4/03 | Wabamun Group | Suspended | Gas | 100.00000000 | S00033 | Surface | Active | Sep-01-2004 | | | | | | | |
| 102/10-23-051-27W4/04 | Ellerslie Member | Flowing | Gas | 100.00000000 | S00034 | Surface | Active | Sep-01-2004 | | | | | | | |
| 102/10-23-051-27W4/05 | | Commingled | Gas | 100.00000000 | S00035 | Surface | Active | Sep-01-2004 | | | | | | | |
| 102/11-23-051-27W4/00 | Nisku | Injection | Water | 100.00000000 | S00053 | Surface | Active | Jun-02-2022 | | | | | | | |
| 103/11-23-051-27W4/00 | Wabamun Group | Abandoned | Gas | 100.00000000 | | | | | | | | | | | |

Free Rein Resources Ltd.

Property Report - Mineral

Title:

| | | | | | | | | | | |
|----------|-------------------------------|--|---------------------------|-----------------------------|------------------|--------------------------|--------------|--------------------------|--------------------|------------|
| | 100/12-23-051-27W4/00 | Nisku | Suspended | Oil | 100.00000000 | | | | | |
| | 100/12-23-051-27W4/02 | Ellerslie Member | Suspended | Gas | 100.00000000 | | | | | |
| | 100/12-23-051-27W4/03 | | Cased | | 100.00000000 | | | | | |
| | 102/13-23-051-27W4/00 | Nisku | Injection | Water | 100.00000000 | | | | | |
| | 100/14-23-051-27W4/00 | Nisku | Abandoned | Oil | 100.00000000 | | | | | |
| | 102/14-23-051-27W4/00 | Leduc | Abandoned | Oil | 0.00000000 | | | | | |
| | | | Zone | | | | | | | |
| | 102/14-23-051-27W4/02 | Viking | Suspended | Gas | 100.00000000 | | | | | |
| | Royalty Type | Product | Method | Rate | Conv | Payee | Payor | Source | | |
| | Crown Sliding Scale | All | Crown Sliding Scale | 100% of | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | |
| | Gross Overriding Royalty | All | Fixed | 5% based on 100% Production | No | Newgrange Energy Inc. | 50.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | C00001 - A |
| | Remarks | | | | | | | | | |
| | General | THIS LEASE IS SET UP AS A CROWN LEASE - BUT HAS A SUBLEASE ATTACHED WHICH IS HOW FREE REIN HAS THEIR WI. | | | | | | | | |
| | | IOL IS SUBLESSOR FRR IS SUBLESSEE | | | | | | | | |
| | | IOR DOES NOT DO TRUST AGREEMENTS | | | | | | | | |
| M00001-H | Status | Active | Lease date | Jul-15-1970 | Gross rental | | Hectares | Gross | Net | |
| | Name/ID | 22254 | Expiry date | Jul-14-1980 | Net rental | | Developed | 0.000 | 0.000 | |
| | Type | Petroleum & Natural Gas Lease | Extension date | | Next rental date | Jul-14-2022 | Undeveloped | 256.000 | 102.400 | |
| | Area | Golden Spike | Extension | | Paid by | Imperial Oil Limited | Total | 256.000 | 102.400 | |
| | Prov/State | Alberta | Terminated | | | | | | | |
| | Min int | 100.00000000 | | | | | | | | |
| | Int type | After Earning | | | | | | | | |
| | Lands | | | | | DOI | Percentage | Flags | Notes | |
| | TWP 51 RGE 27 W4M 23 | | | | | APO - | | | | |
| | P&NG In Glauconitic Sandstone | | | | | FREE REIN RESOURCES LTD. | 50.00000000% | O | | |
| | | | | | | JELS ENERGY LTD. | 50.00000000% | | Subject to earning | |
| | | | | | | INITIAL - Default | | | | |
| | | | | | | FREE REIN RESOURCES LTD. | 40.00000000% | O | | |
| | | | | | | JELS ENERGY LTD. | 60.00000000% | | Subject to earning | |
| | Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |
| | 103/12-24-051-27W4/00 | Glauconitic Sandstone | Abandoned and Whipstocked | Oil | 100.00000000 | C00001 - A | Contract | Active | Oct-30-2018 | |
| | 103/12-24-051-27W4/02 | Glauconitic Sandstone | Abandoned and Whipstocked | Oil | 100.00000000 | C00001 - B | Contract | Active | Oct-30-2018 | |
| | 103/12-24-051-27W4/03 | Glauconitic Sandstone | Cased | Oil | 100.00000000 | C00020 - A | Contract | Active | Jun-14-2022 | |
| | Royalty Type | Product | Method | Rate | Conv | Payee | Payor | Source | | |
| | Crown Sliding Scale | All | Crown Sliding Scale | 100% of | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | |
| | Gross Overriding Royalty | All | Fixed | 5% based on 100% Production | No | Newgrange Energy Inc. | 50.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | C00001 - A |
| | Remarks | | | | | | | | | |
| | General | THIS LEASE IS SET UP AS A CROWN LEASE - BUT HAS A SUBLEASE ATTACHED WHICH IS HOW FREE REIN HAS THEIR WI. | | | | | | | | |
| | | IOL IS SUBLESSOR FRR IS SUBLESSEE | | | | | | | | |
| | | IOR DOES NOT DO TRUST AGREEMENTS | | | | | | | | |

Free Rein Resources Ltd.

Property Report - Mineral

Title:

| | | | | | | | | | |
|--|-------------------------|--|----------------|---------------------|--|--|---------------------------------|---------------------|---------------|
| M00014-A | Status | Active | Lease date | Mar-08-1984 | Gross rental | 224.00 | Hectares | Gross | Net |
| | Name/ID | 0484030067 | Expiry date | Mar-07-1989 | Net rental | 224.00 | Developed | 64.000 | 64.000 |
| | Type | Petroleum & Natural Gas Lease | Extension date | | Next rental date | Jun-23-2021 | Undeveloped | 0.000 | 0.000 |
| | Area | Golden Spike | Extension | | Paid by | PRAIRIE PROVIDENT RESOURCES CANADA LTD. | Total | 64.000 | 64.000 |
| | Prov/State | Alberta | Terminated | | | | | | |
| Min int | 100.00000000 | | | | | | | | |
| Int type | Working Interest | | | | | | | | |
| Lands | | | | | DOI | Percentage | Flags | Notes | |
| TWP 51 RGE 27 W4M NE 24 P&NG from Surface to Base Wabamun Group Excluding P&NG In Glauconitic Sandstone | | | | | INITIAL SETUP - Default / Rental FREE REIN RESOURCES LTD. | 100.00000000% | | | |
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |
| 102/05-24-051-27W4/00 | | Suspended | Gas | 100.00000000 | | | | | |
| 102/05-24-051-27W4/03 | | Abandoned | Gas | 100.00000000 | | | | | |
| | | Zone | | | | | | | |
| Royalty Type | Product | Method | Rate | Conv | Payee | Payor | Source | | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | |
| Remarks | | | | | | | | | |
| M00014-B | Status | Active | Lease date | Mar-08-1984 | Gross rental | | Hectares | Gross | Net |
| | Name/ID | 0484030067 | Expiry date | Mar-07-1989 | Net rental | | Developed | 0.000 | 0.000 |
| | Type | Petroleum & Natural Gas Lease | Extension date | | Next rental date | Jun-23-2021 | Undeveloped | 0.000 | 0.000 |
| | Area | Golden Spike | Extension | | Paid by | PRAIRIE PROVIDENT RESOURCES CANADA LTD. | Total | 0.000 | 0.000 |
| | Prov/State | Alberta | Terminated | | | | | | |
| Min int | 100.00000000 | | | | | | | | |
| Int type | After Earning | | | | | | | | |
| Lands | | | | | DOI | Percentage | Flags | Notes | |
| TWP 51 RGE 27 W4M NE 24 P&NG In Glauconitic Sandstone | | | | | APO - FREE REIN RESOURCES LTD. | 50.00000000% | O | | |
| | | | | | JELS ENERGY LTD. | 50.00000000% | | | |
| | | | | | INITIAL - Default FREE REIN RESOURCES LTD. | 40.00000000% | O | | |
| | | | | | JELS ENERGY LTD. | 60.00000000% | | | |
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |
| | | | | | C00020 - B | Contract | Active | Jun-14-2022 | |
| Royalty Type | Product | Method | Rate | Conv | Payee | Payor | Source | | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | |
| Remarks | | | | | | | | | |
| M00012-B | Status | Active | Lease date | Mar-23-1959 | Gross rental | | Hectares | Gross | Net |
| | Name/ID | 0000115420 | Expiry date | Mar-22-1980 | Net rental | | Developed | 0.000 | 0.000 |
| | Type | Petroleum & Natural Gas Lease | Extension date | | Next rental date | Jun-23-2021 | Undeveloped | 64.000 | 25.600 |
| | Area | Golden Spike | Extension | | Paid by | PRAIRIE PROVIDENT RESOURCES CANADA LTD. | Total | 64.000 | 25.600 |
| | Prov/State | Alberta | Terminated | | | | | | |
| Min int | 100.00000000 | | | | | | | | |
| Int type | After Earning | | | | | | | | |
| Lands | | | | | DOI | Percentage | Flags | Notes | |
| TWP 51 RGE 27 W4M NW 24 | | | | | APO - | | | | |

Free Rein Resources Ltd.

Property Report - Mineral

Title:

| P&NG In Glauconitic Sandstone | | FREE REIN RESOURCES LTD. | | 50.00000000% | O | | | | | |
|-------------------------------|-----------------------|---|----------------|--------------|------------------|--|--------------------------|--------------|--------|-------|
| | | JELS ENERGY LTD. | | 50.00000000% | | | | | | |
| | | INITIAL - Default | | | | | | | | |
| | | FREE REIN RESOURCES LTD. | | 40.00000000% | O | | | | | |
| | | JELS ENERGY LTD. | | 60.00000000% | | | | | | |
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR | |
| 103/12-24-051-27W4/00 | Glauconitic Sandstone | Abandoned and Whipstocked | Oil | 100.00000000 | C00020 - B | Contract | Active | Jun-14-2022 | | |
| 103/12-24-051-27W4/02 | Glauconitic Sandstone | Abandoned and Whipstocked | Oil | 100.00000000 | | | | | | |
| 103/12-24-051-27W4/03 | Glauconitic Sandstone | Cased | Oil | 100.00000000 | | | | | | |
| Royalty Type | Product | Method | Rate | Conv | Payee | Payor | Source | | | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | | |
| Remarks | | | | | | | | | | |
| M00015-A | Status | Active | Lease date | Aug-06-1992 | Gross rental | 224.00 | Hectares | Gross | Net | |
| | Name/ID | 0492080110 | Expiry date | Aug-05-1997 | Net rental | 224.00 | Developed | 64.000 | 64.000 | |
| | Type | Petroleum & Natural Gas Lease | Extension date | | Next rental date | Jun-23-2021 | Undeveloped | 0.000 | 0.000 | |
| | Area | Golden Spike | Extension | | Paid by | PRAIRIE PROVIDENT RESOURCES | Total | 64.000 | 64.000 | |
| | Prov/State | Alberta | Terminated | | | CANADA LTD. | | | | |
| | Min int | 100.00000000 | | | | | | | | |
| | Int type | Working Interest | | | | | | | | |
| | Lands | TWP 51 RGE 27 W4M SE 24 P&NG In Lower Mannville P&NG In Wabamun Group | | | DOI | INITIAL SETUP - Default / Rental FREE REIN RESOURCES LTD. | | Percentage | Flags | Notes |
| | | | | | | | 100.00000000% | | | |
| | Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |
| 102/05-24-051-27W4/00 | | Suspended | Gas | 100.00000000 | | | | | | |
| 102/05-24-051-27W4/03 | | Abandoned Zone | Gas | 100.00000000 | | | | | | |
| Royalty Type | Product | Method | Rate | Conv | Payee | Payor | Source | | | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | | |
| Remarks | | | | | | | | | | |
| M00015-B | Status | Active | Lease date | Aug-06-1992 | Gross rental | | Hectares | Gross | Net | |
| | Name/ID | 0492080110 | Expiry date | Aug-05-1997 | Net rental | | Developed | 0.000 | 0.000 | |
| | Type | Petroleum & Natural Gas Lease | Extension date | | Next rental date | Jun-23-2021 | Undeveloped | 0.000 | 0.000 | |
| | Area | Golden Spike | Extension | | Paid by | PRAIRIE PROVIDENT RESOURCES | Total | 0.000 | 0.000 | |
| | Prov/State | Alberta | Terminated | | | CANADA LTD. | | | | |
| | Min int | 100.00000000 | | | | | | | | |
| | Int type | Working Interest | | | | | | | | |
| | Lands | TWP 51 RGE 27 W4M SE 24 P&NG from Surface to Base Wabamun Group Excluding P&NG In Lower Mannville Excluding P&NG In Wabamun Group Excluding P&NG In Glauconitic Sandstone | | | DOI | INITIAL SETUP - Default FREE REIN RESOURCES LTD. | | Percentage | Flags | Notes |
| | | | | | | | 100.00000000% | B | | |
| | Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |

Free Rein Resources Ltd.

Property Report - Mineral

Title:

| Remarks | | | | | | | | | |
|--|----------------------|---------------------------------|----------------|--------------|--|-----------------------------|--------------------------|--------------|--------|
| M00013-A | Status | Active | Lease date | Mar-23-1959 | Gross rental | 224.00 | Hectares | Gross | Net |
| | Name/ID | 0000115421 | Expiry date | Mar-22-1980 | Net rental | 224.00 | Developed | 64.000 | 64.000 |
| | Type | Petroleum & Natural Gas Lease | Extension date | | Next rental date | Jun-23-2021 | Undeveloped | 0.000 | 0.000 |
| | Area | Golden Spike | Extension | | Paid by | PRAIRIE PROVIDENT RESOURCES | Total | 64.000 | 64.000 |
| | Prov/State | Alberta | Terminated | | | CANADA LTD. | | | |
| | Min int | 100.00000000 | | | | | | | |
| Int type | Working Interest | | | | | | | | |
| Lands | | | | | DOI | Percentage | Flags | Notes | |
| P&NG from Surface to Base Leduc Excluding P&NG In Glauconitic Sandstone TWP 51 RGE 27 W4M 24 (LSD 5) P&NG from Surface to Base Wabamun Group Excluding P&NG In Glauconitic Sandstone TWP 51 RGE 27 W4M 24 (LSD 3,4,6) | | | | | INITIAL SETUP - Default / Rental FREE REIN RESOURCES LTD. | 100.00000000% | | | |
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |
| 102/05-24-051-27W4/00 | | Suspended | Gas | 100.00000000 | | | | | |
| 102/05-24-051-27W4/02 | | Abandoned Zone | Oil | 100.00000000 | | | | | |
| 102/05-24-051-27W4/03 | | Abandoned Zone | Gas | 100.00000000 | | | | | |
| 100/12-24-051-27W4/05 | | Abandoned Zone | Gas | 100.00000000 | | | | | |
| Royalty Type | Product | Method | Rate | Conv | Payee | Payor | Source | | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | |
| Remarks | | | | | | | | | |
| M00012-A | Status | Active | Lease date | Mar-23-1959 | Gross rental | 224.00 | Hectares | Gross | Net |
| | Name/ID | 0000115420 | Expiry date | Mar-22-1980 | Net rental | 224.00 | Developed | 64.000 | 64.000 |
| | Type | Petroleum & Natural Gas Lease | Extension date | | Next rental date | Jun-23-2021 | Undeveloped | 0.000 | 0.000 |
| | Area | Golden Spike | Extension | | Paid by | PRAIRIE PROVIDENT RESOURCES | Total | 64.000 | 64.000 |
| | Prov/State | Alberta | Terminated | | | CANADA LTD. | | | |
| | Min int | 100.00000000 | | | | | | | |
| Int type | Working Interest | | | | | | | | |
| Lands | | | | | DOI | Percentage | Flags | Notes | |
| P&NG from Surface to Base Leduc Excluding P&NG In Glauconitic Sandstone TWP 51 RGE 27 W4M 24 (LSD 12,13) P&NG from Surface to Base Wabamun Group Excluding P&NG In Glauconitic Sandstone TWP 51 RGE 27 W4M 24 (LSD 11,14) | | | | | INITIAL SETUP - Default / Rental FREE REIN RESOURCES LTD. | 100.00000000% | 0 | | |
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |
| 102/05-24-051-27W4/00 | | Suspended | Gas | 100.00000000 | S00051 | Surface | Active | Dec-14-1975 | |
| 102/05-24-051-27W4/03 | | Abandoned Zone | Gas | 100.00000000 | | | | | |
| 100/12-24-051-27W4/00 | | Abandoned and Whipstocked | | 100.00000000 | | | | | |
| 100/12-24-051-27W4/02 | | Suspended | Oil | 100.00000000 | | | | | |

Free Rein Resources Ltd.

Property Report - Mineral

Title:

| 100/12-24-051-27W4/03 | | Abandoned Zone | Oil | 100.00000000 | | | | | | |
|--------------------------|--|-------------------------------|-----------------------------|---------------|--|--|--------------------------------|---|------------|--|
| 100/12-24-051-27W4/04 | | Abandoned Zone | Oil | 100.00000000 | | | | | | |
| 100/12-24-051-27W4/05 | | Abandoned Zone | Gas | 100.00000000 | | | | | | |
| Royalty Type | Product | Method | Rate | Conv | Payee | Payor | Source | | | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | | |
| Remarks | | | | | | | | | | |
| M00001-C | Status | Active | Lease date | Jul-15-1970 | Gross rental | 896.00 | Hectares | Gross | Net | |
| | Name/ID | 22254 | Expiry date | Jul-14-1980 | Net rental | 896.00 | Developed | 256.000 | 256.000 | |
| | Type | Petroleum & Natural Gas Lease | Extension date | Jul-14-2099 | Next rental date | Jul-14-2022 | Undeveloped | 0.000 | 0.000 | |
| | Area | Golden Spike | Extension | Section 18(6) | Paid by | Imperial Oil Limited | Total | 256.000 | 256.000 | |
| | Prov/State | Alberta | Terminated | | | | | | | |
| | Min int | 100.00000000 | | | | | | | | |
| | Int type | Working Interest | | | | | | | | |
| | Lands | | | | | DOI | Percentage | Flags | Notes | |
| | TWP 51 RGE 27 W4M 26 P&NG from Surface to Top Leduc | | | | | INITIAL SET UP - Default FREE REIN RESOURCES LTD. | 100.00000000% | O | | |
| | | | | | | RENTAL - Rental FREE REIN RESOURCES LTD. | 50.00000000% | | | |
| | | | | | IMPERIAL OIL RESOURCES LIMITED | 50.00000000% | O | | | |
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR | |
| 100/03-26-051-27W4/00 | Leduc | Abandoned and Whipstocked | Oil | 0.00000000 | C00001 - A C00011 - A C00018 - A | Contract Contract Contract | Active Active Historical | Oct-30-2018 Nov-01-2018 Jul-19-2001 | | |
| 100/03-26-051-27W4/02 | Leduc | Abandoned and Whipstocked | Oil | 0.00000000 | S00017 S00021 S00036 | Surface Surface Surface | Active Active Active | Oct-09-1953 Aug-16-1973 Sep-14-1949 | | |
| 102/03-26-051-27W4/00 | Leduc | Abandoned Zone | Oil | 0.00000000 | S00041 | Surface | Active | Oct-24-1974 | | |
| 102/03-26-051-27W4/02 | Nisku | Testing | Gas | 100.00000000 | | | | | | |
| 102/03-26-051-27W4/03 | Ellerslie Member | Suspended | Gas | 100.00000000 | | | | | | |
| 102/03-26-051-27W4/04 | Ellerslie Member | Testing | Gas | 100.00000000 | | | | | | |
| 103/03-26-051-27W4/00 | Nisku | Suspended | Oil | 100.00000000 | | | | | | |
| 103/03-26-051-27W4/02 | | Cased | | 100.00000000 | | | | | | |
| 103/03-26-051-27W4/03 | Viking | Suspended | Gas | 100.00000000 | | | | | | |
| 100/04-26-051-27W4/00 | Nisku | Abandoned Zone | Oil | 100.00000000 | | | | | | |
| 100/04-26-051-27W4/02 | Leduc | Suspended | Oil | 0.00000000 | | | | | | |
| 102/04-26-051-27W4/00 | Leduc | Suspended | Gas | 0.00000000 | | | | | | |
| 102/04-26-051-27W4/02 | Nisku | Suspended | Oil | 100.00000000 | | | | | | |
| 100/05-26-051-27W4/00 | | Cancelled | | 100.00000000 | | | | | | |
| 102/05-26-051-27W4/00 | Nisku | Pumping | Oil | 100.00000000 | | | | | | |
| 100/06-26-051-27W4/00 | Nisku | Suspended | Oil | | | | | | | |
| Royalty Type | Product | Method | Rate | Conv | Payee | Payor | Source | | | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of Production | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | | |
| Gross Overriding Royalty | All | Fixed | 5% based on 100% Production | No | Newgrange Energy Inc. | 50.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | C00001 - A | |
| Remarks | | | | | | | | | | |

Free Rein Resources Ltd.

Property Report - Mineral

Title:

| | | | | | | | | | | |
|----------|---|-------------------------------|---------------------|-----------------------------|---|--|---|--|---|------|
| | <p>General THIS LEASE IS SET UP AS A CROWN LEASE - BUT HAS A SUBLEASE ATTACHED WHICH IS HOW FREE REIN HAS THEIR WI.</p> <p>IOL IS SUBLESSOR FRR IS SUBLESSEE</p> <p>IOR DOES NOT DO TRUST AGREEMENTS</p> | | | | | | | | | |
| M00001-J | Status | Active | Lease date | Jul-15-1970 | Gross rental | 896.00 | Hectares | Gross | Net | |
| | Name/ID | 22254 | Expiry date | Jul-14-1980 | Net rental | 896.00 | Developed | 0.000 | 0.000 | |
| | Type | Petroleum & Natural Gas Lease | Extension date | Jul-14-2099 | Next rental date | Jul-14-2022 | Undeveloped | 0.000 | 0.000 | |
| | Area | Golden Spike | Extension | Section 18(6) | Paid by | Imperial Oil Limited | Total | 0.000 | 0.000 | |
| | Prov/State | Alberta | Terminated | | | | | | | |
| | Min int | 100.00000000 | | | | | | | | |
| | Int type | Working Interest | | | | | | | | |
| | Lands | | | | DOI | Percentage | Flags | Notes | | |
| | TWP 51 RGE 27 W4M 26 Natural Gas In Ellerslie Member | | | | INITIAL SET UP - Default FREE REIN RESOURCES LTD. | 100.00000000% | O | | | |
| | | | | | RENTAL - Rental FREE REIN RESOURCES LTD. | 50.00000000% | | | | |
| | | | | | IMPERIAL OIL RESOURCES LIMITED | 50.00000000% | O | | | |
| | Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |
| | 100/06-26-051-27W4/02 | Ellerslie Member | Producing | Gas | 0.00000000 | C00011 - A C00018 - A S00017 S00021 S00036 | Contract Contract Surface Surface Surface | Active Historical Active Active Active | Nov-01-2018 Jul-19-2001 Oct-09-1953 Aug-16-1973 Sep-14-1949 | |
| | Royalty Type | Product | Method | Rate | Conv | Payee | Payor | Source | | |
| | Crown Sliding Scale | All | Crown Sliding Scale | 100% of Production | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | |
| | Gross Overriding Royalty | Gas | Fixed | 5% based on 100% Production | No | Newgrange Energy Inc. | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | |
| | Gross Overriding Royalty | Gas | Fixed | 5% based on 100% Production | No | Shareholders | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | |
| | Remarks | | | | | | | | | |
| | <p>General THIS LEASE IS SET UP AS A CROWN LEASE - BUT HAS A SUBLEASE ATTACHED WHICH IS HOW FREE REIN HAS THEIR WI.</p> <p>IOL IS SUBLESSOR FRR IS SUBLESSEE</p> <p>IOR DOES NOT DO TRUST AGREEMENTS</p> | | | | | | | | | |
| M00001-D | Status | Active | Lease date | Jul-15-1970 | Gross rental | 896.00 | Hectares | Gross | Net | |
| | Name/ID | 22254 | Expiry date | Jul-14-1980 | Net rental | 896.00 | Developed | 256.000 | 256.000 | |
| | Type | Petroleum & Natural Gas Lease | Extension date | Jul-14-2099 | Next rental date | Jul-14-2022 | Undeveloped | 0.000 | 0.000 | |
| | Area | Golden Spike | Extension | Section 18(6) | Paid by | Imperial Oil Limited | Total | 256.000 | 256.000 | |
| | Prov/State | Alberta | Terminated | | | | | | | |
| | Min int | 100.00000000 | | | | | | | | |
| | Int type | Working Interest | | | | | | | | |
| | Lands | | | | DOI | Percentage | Flags | Notes | | |
| | TWP 51 RGE 27 W4M 27 (LSD 11) P&NG from Surface to Top Leduc Excluding P&NG In Nisku Excluding P&NG In Wabamun Group | | | | INITIAL SET UP - Default / Rental FREE REIN RESOURCES LTD. | 100.00000000% | O | | | |
| | TWP 51 RGE 27 W4M 27 (LSD 12,13,14) P&NG from Surface to Top Leduc Excluding P&NG In Wabamun Group | | | | RENTAL - FREE REIN RESOURCES LTD. | 50.00000000% | | | | |
| | TWP 51 RGE 27 W4M SW 27 | | | | IMPERIAL OIL RESOURCES LIMITED | 50.00000000% | O | | | |

Free Rein Resources Ltd.

Property Report - Mineral

Title:

| TWP 51 RGE 27 W4M E 27 P&NG from Surface to Top Leduc | | | | | | | | | |
|--|--|-------------------------------|-----------------------------|---------------|-----------------------------------|---------------|--------------------------|--------------|------------|
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |
| 103/01-27-051-27W4/00 | Nisku | Suspended | Water | 100.00000000 | C00001 - A | Contract | Active | Oct-30-2018 | |
| 102/02-27-051-27W4/00 | Leduc | Abandoned | Oil | 100.00000000 | C00011 - A | Contract | Active | Nov-01-2018 | |
| 102/02-27-051-27W4/02 | Nisku | Abandoned | Oil | 100.00000000 | C00018 - A | Contract | Historical | Jul-19-2001 | |
| 103/02-27-051-27W4/00 | Leduc | Abandoned | Oil | 100.00000000 | S00037 | Surface | Active | Oct-24-1952 | |
| 103/02-27-051-27W4/02 | | Zone | | | S00039 | Surface | Active | Oct-18-1951 | |
| 103/02-27-051-27W4/03 | | Abandoned | | | | | | | |
| 100/08-27-051-27W4/00 | Nisku | Suspended | Oil | 100.00000000 | | | | | |
| 107/08-27-051-27W4/00 | Leduc | Abandoned | Oil | 0.00000000 | | | | | |
| 107/08-27-051-27W4/02 | | Zone | | | | | | | |
| 107/08-27-051-27W4/03 | Viking | Abandoned | Gas | 100.00000000 | | | | | |
| 107/08-27-051-27W4/04 | | Zone | | | | | | | |
| 102/09-27-051-27W4/00 | Nisku | Suspended | Oil | 100.00000000 | | | | | |
| 102/09-27-051-27W4/02 | Ellerslie Member | Flowing | Gas | 100.00000000 | | | | | |
| 1D0/09-27-051-27W4/00 | Leduc | Abandoned | Oil | 0.00000000 | | | | | |
| 1D0/09-27-051-27W4/02 | Ostracod Member | Abandoned | Gas | 100.00000000 | | | | | |
| | | Zone | | | | | | | |
| Royalty Type | Product | Method | Rate | Conv | Payee | Payor | Source | | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of Production | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | |
| Gross Overriding Royalty | All | Fixed | 5% based on 100% Production | No | Newgrange Energy Inc. | 50.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | C00001 - A |
| Remarks | | | | | | | | | |
| General | THIS LEASE IS SET UP AS A CROWN LEASE - BUT HAS A SUBLEASE ATTACHED WHICH IS HOW FREE REIN HAS THEIR WI. | | | | | | | | |
| | IOL IS SUBLESSOR FRR IS SUBLESSEE | | | | | | | | |
| | IOR DOES NOT DO TRUST AGREEMENTS | | | | | | | | |
| M00001-I | Status | Active | Lease date | Jul-15-1970 | Gross rental | Hectares | Gross | Net | |
| | Name/ID | 22254 | Expiry date | Jul-14-1980 | Net rental | Developed | 64.000 | 64.000 | |
| | Type | Petroleum & Natural Gas Lease | Extension date | Jul-14-2099 | Next rental date | Undeveloped | 0.000 | 0.000 | |
| | Area | Golden Spike | Extension | Section 18(6) | Paid by | Total | 64.000 | 64.000 | |
| | Prov/State | Alberta | Terminated | | | | | | |
| | Min int | 100.00000000 | | | | | | | |
| | Int type | Working Interest | | | | | | | |
| Lands | | | | | DOI | Percentage | Flags | Notes | |
| TWP 51 RGE 27 W4M 27 (LSD 11) | | | | | INITIAL SET UP - Default / Rental | | | | |
| P&NG In Nisku | | | | | FREE REIN RESOURCES LTD. | 100.00000000% | O | | |
| P&NG In Wabamun Group | | | | | RENTAL - | | | | |
| TWP 51 RGE 27 W4M 27 (LSD 12,13,14) | | | | | FREE REIN RESOURCES LTD. | 50.00000000% | | | |
| P&NG In Wabamun Group | | | | | IMPERIAL OIL RESOURCES LIMITED | 50.00000000% | O | | |
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |

Free Rein Resources Ltd.

Property Report - Mineral

Title:

| | | | | | | | | | | |
|----------|--------------------------|--|---------------------|-----------------------------|---|---|---|--------------------------------|---|------|
| | 100/11-27-051-27W4/00 | Leduc | Abandoned Zone | Oil | 0.00000000 | C00001 - A C00011 - A C00018 - A | Contract Contract Contract | Active Active Historical | Oct-30-2018 Nov-01-2018 Jul-19-2001 | |
| | 100/11-27-051-27W4/02 | Wabamun Group | Suspended | Gas | 100.00000000 | | | | | |
| | 100/11-27-051-27W4/03 | Ellerslie Member | Abandoned Zone | Gas | 100.00000000 | | | | | |
| | 100/11-27-051-27W4/04 | Nisku | Disposal | Water | 100.00000000 | | | | | |
| | Royalty Type | Product | Method | Rate | Conv | Payee | Payor | | Source | |
| | Crown Sliding Scale | All | Crown Sliding Scale | 100% of Production | No | Alberta Energy | FREE REIN RESOURCES LTD. | 100.00000000 | 100.00000000 | |
| | Gross Overriding Royalty | All | Fixed | 5% based on 100% Production | No | Newgrange Energy Inc. | FREE REIN RESOURCES LTD. | 50.00000000 | 100.00000000 C00001 - A | |
| | Remarks | General THIS LEASE IS SET UP AS A CROWN LEASE - BUT HAS A SUBLEASE ATTACHED WHICH IS HOW FREE REIN HAS THEIR WI. IOL IS SUBLESSOR FRR IS SUBLESSEE IOR DOES NOT DO TRUST AGREEMENTS | | | | | | | | |
| M00004-A | Status | Active | Lease date | Nov-06-1974 | Gross rental | 224.00 | Hectares | Gross | Net | |
| | Name/ID | 37227 | Expiry date | Nov-05-1984 | Net rental | 224.00 | Developed | 64.000 | 64.000 | |
| | Type | Petroleum & Natural Gas Lease | Extension date | | Next rental date | Nov-06-2021 | Undeveloped | 0.000 | 0.000 | |
| | Area | Golden Spike | Extension | Section 15 | Paid by | PRAIRIE PROVIDENT RESOURCES CANADA LTD. | Total | 64.000 | 64.000 | |
| | Prov/State | Alberta | Terminated | | | | | | | |
| | Min int | 100.00000000 | | | | | | | | |
| | Int type | Working Interest | | | | | | | | |
| | Lands | P&NG from Top Nisku to Base Leduc TWP 51 RGE 27 W4M NE 34 | | | DOI | Percentage | Flags | Notes | | |
| | | | | | INITIAL SET UP - Default | | | | | |
| | | | | | FREE REIN RESOURCES LTD. | 100.00000000% | O | | | |
| | | | | | PRAIRIE PROVIDENT RESOURCES CANADA LTD. | 0.00000000% | T:PRAIRIE PROVIDENT RESOURCES CANADA LTD. | | | |
| | | | | | RENTALS - | | | | | |
| | | | | | FREE REIN RESOURCES LTD. | 50.00000000% | | | | |
| | | | | | PRAIRIE PROVIDENT RESOURCES CANADA LTD. | 50.00000000% | | | | |
| | Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |
| | 102/10-34-051-27W4/00 | Leduc | Suspended | Oil | 0.00000000 | C00007 - A | Contract | Active | Dec-03-2019 | |
| | 102/15-34-051-27W4/00 | Nisku | Suspended | Oil | 100.00000000 | C00019 - A | Contract | Active | Dec-03-2019 | |
| | Royalty Type | Product | Method | Rate | Conv | Payee | Payor | | Source | |
| | Crown Sliding Scale | All | Crown Sliding Scale | 100% of | No | Alberta Energy | FREE REIN RESOURCES LTD. | 100.00000000 | 100.00000000 | |
| | Remarks | | | | | | | | | |
| M00005-A | Status | Active | Lease date | Jun-23-1973 | Gross rental | 112.00 | Hectares | Gross | Net | |
| | Name/ID | 31836 | Expiry date | Jun-22-1983 | Net rental | 112.00 | Developed | 32.000 | 32.000 | |
| | Type | Petroleum & Natural Gas Lease | Extension date | | Next rental date | Jun-23-2022 | Undeveloped | 0.000 | 0.000 | |
| | Area | Golden Spike | Extension | Section 15 | Paid by | PRAIRIE PROVIDENT RESOURCES CANADA LTD. | Total | 32.000 | 32.000 | |
| | Prov/State | Alberta | Terminated | | | | | | | |
| | Min int | 100.00000000 | | | | | | | | |
| | Int type | Working Interest | | | | | | | | |

Free Rein Resources Ltd.

Property Report - Mineral

Title:

| | | | | | | | | | |
|--|-------------------------------|------------------------|-------------|---|------------------------------|--|--------------------------|----------------------------|------|
| Lands | | | | DOI | Percentage | Flags | Notes | | |
| P&NG from Top Nisku to Base Leduc TWP 51 RGE 27 W4M 34 (LSD 3,6) | | | | INITIAL SET UP - Default FREE REIN RESOURCES LTD. PRAIRIE PROVIDENT RESOURCES CANADA LTD. | 100.00000000% 0.00000000% | O T:PRAIRIE PROVIDENT RESOURCES CANADA LTD. | | | |
| RENTALS - FREE REIN RESOURCES LTD. PRAIRIE PROVIDENT RESOURCES CANADA LTD. | | | | | 50.00000000% 50.00000000% | | | | |
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |
| 100/03-34-051-27W4/00 102/03-34-051-27W4/00 | Leduc | Suspended Location | Water | 100.00000000 100.00000000 | C00007 - A | Contract | Active | Dec-03-2019 | |
| Royalty Type | Product | Method | Rate | Conv | Payee | Payor | | Source | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | |
| Remarks | | | | | | | | | |
| M00011-A | | | | | | | | | |
| Status | Active | Lease date | Jul-22-2021 | Gross rental | 560.00 | Hectares | Gross | Net | |
| Name/ID | 0421070082 | Expiry date | Jul-21-2026 | Net rental | 0.00 | Developed | 160.000 | 0.000 | |
| Type | Petroleum & Natural Gas Lease | Extension date | | Next rental date | Jun-23-2023 | Undeveloped | 0.000 | 0.000 | |
| Area | Golden Spike | Extension | | Paid by | FREE REIN RESOURCES LTD. | Total | 160.000 | 0.000 | |
| Prov/State | Alberta | Terminated | | | | | | | |
| Min int | 100.00000000 | | | | | | | | |
| Int type | Working Interest | | | | | | | | |
| Lands | | | | DOI | Percentage | Flags | Notes | | |
| TWP 51 RGE 27 W4M 34 (LSD 4,5) TWP 51 RGE 27 W4M NW 34 TWP 51 RGE 27 W4M SE 34 P&NG from Base Mannville to Base Leduc | | | | INITIAL SETUP - FREE REIN RESOURCES LTD. | 100.00000000% | | | | |
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |
| | | | | | C00019 - A M00001 - A | Contract Mineral | Active Active | Dec-03-2019 Jul-15-1970 | |
| Royalty Type | Product | Method | Rate | Conv | Payee | Payor | | Source | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | |
| Remarks | | | | | | | | | |
| M00002-A | | | | | | | | | |
| Status | Active | Lease date | Jun-11-1975 | Gross rental | 224.00 | Hectares | Gross | Net | |
| Name/ID | 39143 | Expiry date | Jun-10-1985 | Net rental | 11.20 | Developed | 0.000 | 0.000 | |
| Type | Petroleum & Natural Gas Lease | Extension date | Jun-10-2099 | Next rental date | Jun-10-2021 | Undeveloped | 64.000 | 3.200 | |
| Area | Golden Spike | Extension | Section 15 | Paid by | FREE REIN RESOURCES LTD. | Total | 64.000 | 3.200 | |
| Prov/State | Alberta | Terminated | | | | | | | |
| Min int | 100.00000000 | | | | | | | | |
| Int type | Working Interest | | | | | | | | |
| Lands | | | | DOI | Percentage | Flags | Notes | | |
| TWP 51 RGE 27 W4M NW 35 P&NG from Surface to Base Mannville | | | | INITIAL SET UP - Default CANADIAN NATURAL RESOURCES LIMITED | 95.00000000% | O | | | |

Free Rein Resources Ltd.

Property Report - Mineral

Title:

| Excluding P&NG In Basal Quartz | | | | FREE REIN RESOURCES LTD. | | | | 5.00000000% | | |
|---|--|-------------------------------|---|--------------------------|---|---------------------------|--------------------------|--------------|------------|------|
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR | |
| | | | | | C00011 - A | Contract | Active | Nov-01-2018 | | |
| | | | | | C00017 - A | Contract | Active | Jul-02-1965 | | |
| | | | | | C00018 - A | Contract | Historical | Jul-19-2001 | | |
| Royalty Type | Product | Method | Rate | Conv | Payee | | Payor | | Source | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of Production | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | | |
| Remarks | | | | | | | | | | |
| Deficiency MISSING THE GOVERNING AGREEMENT. SET UP DOI AS STAND-ALONE UNTIL FILE IS CLEANED UP REACHED OUT TO CNRL ON APRIL 29 2021 TO CONFIRM RECORDS AND REQUESTED COPY OF LEASE AND AGREEMENT CHECKING INTO DOCUMENTATION TO ASSIGN FRR INTO AGREEMENT AS WELL | | | | | | | | | | |
| M00003-A | Status | Active | Lease date | Sep-01-2004 | Gross rental | 636.00 | Hectares | Gross | Net | |
| | Name/ID | PSK M67035 | Expiry date | Aug-31-2009 | Net rental | 636.00 | Developed | 257.380 | 257.380 | |
| | Type | Petroleum & Natural Gas Lease | Extension date | | Next rental date | Sep-01-2021 | Undeveloped | 0.000 | 0.000 | |
| | Area | Telfordville | Extension | Held By Production | Paid by | FREE REIN RESOURCES LTD. | Total | 257.380 | 257.380 | |
| | Prov/State | Alberta | Terminated | | | | | | | |
| | Min int | 100.00000000 | | | | | | | | |
| | Int type | Working Interest | | | | | | | | |
| | Lands | | | | DOI | Percentage | Flags | Notes | | |
| | TWP 50 RGE 2 W5M 27 P&NG from Surface to Base Banff | | | | INITIAL SET UP - Default / Rental FREE REIN RESOURCES LTD. | 100.00000000% | O | | | |
| | Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |
| 100/04-27-050-02W5/00 | | Cased | | 0.00000000 | C00002 - A | Contract | Active | Jul-03-1997 | | |
| 100/04-27-050-02W5/02 | Banff | Flowing | Gas | 100.00000000 | S00006 | Surface | Active | Apr-17-1997 | | |
| 102/16-27-050-02W5/00 | Viking | Suspended | Gas | 100.00000000 | S00010 | Surface | Active | Feb-17-1998 | | |
| Royalty Type | Product | Method | Rate | Conv | Payee | | Payor | | Source | |
| Lessor | Gas Oil | Fixed Fixed | 25% based on 100% Production 25% based on 100% Production | No | PRAIRIE SKY ROYALTY LTD. | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | | |
| Remarks | | | | | | | | | | |
| M00006-A | Status | Active | Lease date | Mar-16-1995 | Gross rental | 224.00 | Hectares | Gross | Net | |
| | Name/ID | 0495030519 | Expiry date | Mar-15-2000 | Net rental | 134.40 | Developed | 0.000 | 0.000 | |
| | Type | Petroleum & Natural Gas Lease | Extension date | Mar-15-2999 | Next rental date | Mar-15-2022 | Undeveloped | 64.000 | 38.400 | |
| | Area | Telfordville | Extension | Held By Production | Paid by | FREE REIN RESOURCES LTD. | Total | 64.000 | 38.400 | |
| | Prov/State | Alberta | Terminated | | | | | | | |
| | Min int | 100.00000000 | | | | | | | | |
| | Int type | Working Interest | | | | | | | | |
| | Lands | | | | DOI | Percentage | Flags | Notes | | |
| | TWP 50 RGE 2 W5M SE 28 P&NG from Surface to Base Banff | | | | SET UP - Default / Rental FREE REIN RESOURCES LTD. PETRUS RESOURCES CORP. | 60.00000000% 40.00000000% | O | | | |
| | Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |
| | | | | | C00008 - A | Contract | Active | Mar-09-2000 | | |
| Royalty Type | Product | Method | Rate | Conv | Payee | | Payor | | Source | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of Production | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | | |
| Gross Overriding Royalty | Gas and Other | Fixed | 12.5% based on 100% Sales | No | NEW STAR ENERGY LTD. | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | C00008 - A | |

Free Rein Resources Ltd.

Property Report - Mineral

Title:

| | | | | | | | | | |
|---|----------------------|-------------------------------|------------------------------------|--------------|--------------------------|--------------------------|--------------------------|----------------------------|-------------|
| | Oil | 1/23.8365 | 5 - 12.5% based on 100% Production | | | | | | |
| Remarks | | | | | | | | | |
| General THE 7-28 WELL THAT INITIALLY CONTINUED THESE LANDS HAS BEEN ABANDONED AND THE RIGHTS REVERTED BACK TO CROWN. | | | | | | | | | |
| UNCLEAR HOW THIS LEASE IS STILL ALIVE | | | | | | | | | |
| M00008-A | Status | Active | Lease date | May-10-2017 | Gross rental | 988.25 | Hectares | Gross | Net |
| | Name/ID | PSKM223936 | Expiry date | May-09-2018 | Net rental | 706.07 | Developed | 164.708 | 117.679 |
| | Type | Natural Gas Lease | Extension date | May-10-2099 | Next rental date | May-10-2021 | Undeveloped | 0.000 | 0.000 |
| | Area | Telfordville | Extension | Held By | Paid by | FREE REIN RESOURCES LTD. | Total | 164.708 | 117.679 |
| | Prov/State | Alberta | | Production | | | | | |
| | Min int | 100.00000000 | Terminated | | | | | | |
| | Int type | Working Interest | | | | | | | |
| Lands | | | | | DOI | Percentage | Flags | Notes | |
| TWP 50 RGE 2 W5M PTN 33 | | | | | SET UP - | | | | |
| Natural Gas In Ellerslie Member | | | | | FREE REIN RESOURCES LTD. | 78.00000000% | O | | |
| ALL OF SW QUARTER | | | | | PETRUS RESOURCES CORP. | 22.00000000% | | | |
| PTN OF NW QUARTER WHICH LIES TO THE SOUTH OF THE NORTH SASKATCHEWAN RIVER AS SHOWN ON A PLAN OF SURVEY OF THE SAID TOWNSHIP DATED 13 OCTOBER A.S. 1887 CONTAINING 40.9 HA (101 ACES) MORE OR LESS | | | | | SET UP - Default | | | | |
| PTN OF NE QUARTER WHICH LIES TO THE SOUTH OF THE NORTH SASKATCHEWAN RIVER AS SHOWN ON A PLAN OF SURVEY OF THE SAID TOWNSHIP DATED 13 OCTOBER A.S. 1887 CONTAINING 1.62 HA (4 ACES) MORE OR LESS | | | | | FREE REIN RESOURCES LTD. | 71.44680000% | O | | |
| PTN OF SE QUARTER WHICH LIES TO THE SOUTH OF THE NORTH SASKATCHEWAN RIVER AS SHOWN ON A PLAN OF SURVEY OF THE SAID TOWNSHIP DATED 13 OCTOBER A.S. 1887 CONTAINING 57.5 HA (142 ACES) MORE OR LESS | | | | | PETRUS RESOURCES CORP. | 28.55320000% | | | |
| | | | | | rental - Rental | | | | |
| | | | | | FREE REIN RESOURCES LTD. | 78.00000000% | O | | |
| | | | | | PETRUS RESOURCES CORP. | 22.00000000% | | | |
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |
| 100/16-33-050-02W5/00 | Ellerslie Member | Flowing | Gas | 63.59380000 | C00009 - A C00012 - A | Contract Contract | Active Active | Aug-28-2000 Jun-06-2018 | Alternate A |
| Royalty Type | Product | Method | Rate | Conv | Payee | Payor | Source | | |
| Lessor | Gas | Fixed | 17.5% based on 100% Sales | No | PRAIRIE SKY ROYALTY LTD. | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | |
| Remarks | | | | | | | | | |
| M00009-A | Status | Active | Lease date | Apr-13-1993 | Gross rental | | Hectares | Gross | Net |
| | Name/ID | 0493040127 | Expiry date | Mar-31-1998 | Net rental | | Developed | 93.200 | 55.920 |
| | Type | Petroleum & Natural Gas Lease | Extension date | Apr-01-2099 | Next rental date | Apr-01-2021 | Undeveloped | 0.000 | 0.000 |
| | Area | Telfordville | Extension | Held By | Paid by | PETRUS RESOURCES CORP. | Total | 93.200 | 55.920 |
| | Prov/State | Alberta | | Production | | | | | |
| | Min int | 100.00000000 | Terminated | | | | | | |
| | Int type | Working Interest | | | | | | | |
| Lands | | | | | DOI | Percentage | Flags | Notes | |
| TWP 50 RGE 2 W5M PTN N 33 | | | | | RENTAL - | | | | |
| TWP 50 RGE 2 W5M PTN SE 33 | | | | | FREE REIN RESOURCES LTD. | 60.00000000% | O | | |
| P&NG from Surface to Base Mannville | | | | | PETRUS RESOURCES CORP. | 40.00000000% | | | |
| Excluding Natural Gas from Surface to Base Ellerslie Member | | | | | INITIAL SET UP - Default | | | | |
| | | | | | PETRUS RESOURCES CORP. | 40.00000000% | | | |
| | | | | | FREE REIN RESOURCES LTD. | 60.00000000% | O | | |
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR |

Free Rein Resources Ltd.

Property Report - Mineral

Title:

| | | | | | | C00014 - A | Contract | Active | Jul-02-1997 | | |
|-----------------------|--|-------------------------------|--------------------|--------------|--|---|------------------------------|----------------------------|-------------|------|--|
| Royalty Type | Product | Method | Rate | Conv | Payee | | Payor | Source | | | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of Production | No | Alberta Energy | 100.00000000 | PETRUS RESOURCES CORP. | 100.00000000 | | | |
| Remarks | | | | | | | | | | | |
| M00009-B | Status | Active | Lease date | Apr-13-1993 | Gross rental | 326.60 | Hectares | Gross | Net | | |
| | Name/ID | 0493040127 | Expiry date | Mar-31-1998 | Net rental | 233.35 | Developed | 93.200 | 66.588 | | |
| | Type | Petroleum & Natural Gas Lease | Extension date | Apr-01-2099 | Next rental date | Apr-01-2021 | Undeveloped | 0.000 | 0.000 | | |
| | Area | Telfordville | Extension | Held By | Paid by | PETRUS RESOURCES CORP. | Total | 93.200 | 66.588 | | |
| | Prov/State | Alberta | Terminated | | | | | | | | |
| | Min int | 100.00000000 | | | | | | | | | |
| | Int type | Working Interest | | | | | | | | | |
| | Lands | | | | | DOI | Percentage | Flags | Notes | | |
| | TWP 50 RGE 2 W5M PTN N 33 TWP 50 RGE 2 W5M PTN SE 33 Natural Gas from Surface to Base Ellerslie Member | | | | | SET UP - Default FREE REIN RESOURCES LTD. PETRUS RESOURCES CORP. | 71.44680000% 28.55320000% | O | | | |
| | | | | | | RENTAL - Rental FREE REIN RESOURCES LTD. PETRUS RESOURCES CORP. | 60.00000000% 40.00000000% | O | | | |
| | | | | | INITIAL SET UP - PETRUS RESOURCES CORP. FREE REIN RESOURCES LTD. | 40.00000000% 60.00000000% | O | | | | |
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR | | |
| 100/16-33-050-02W5/00 | Ellerslie Member | Flowing | Gas | 36.40620000 | C00009 - A C00014 - B | Contract Contract | Active Active | Aug-28-2000 Jul-02-1997 | | | |
| Royalty Type | Product | Method | Rate | Conv | Payee | | Payor | Source | | | |
| Crown Sliding Scale | Gas | Crown Sliding Scale | 100% of Production | No | Alberta Energy | 100.00000000 | PETRUS RESOURCES CORP. | 100.00000000 | | | |
| Remarks | | | | | | | | | | | |
| M00007-A | Status | Active | Lease date | Jul-27-1971 | Gross rental | 896.00 | Hectares | Gross | Net | | |
| | Name/ID | 25425 | Expiry date | Jul-26-1981 | Net rental | 537.60 | Developed | 256.000 | 153.600 | | |
| | Type | Petroleum & Natural Gas Lease | Extension date | Jul-26-2099 | Next rental date | Jul-27-2022 | Undeveloped | 0.000 | 0.000 | | |
| | Area | Telfordville | Extension | Held By | Paid by | FREE REIN RESOURCES LTD. | Total | 256.000 | 153.600 | | |
| | Prov/State | Alberta | Terminated | | | | | | | | |
| | Min int | 100.00000000 | | | | | | | | | |
| | Int type | Working Interest | | | | | | | | | |
| | Lands | | | | | DOI | Percentage | Flags | Notes | | |
| | TWP 51 RGE 2 W5M 4 P&NG from Surface to Base Mannville | | | | | SET UP - Default / Rental FREE REIN RESOURCES LTD. PETRUS RESOURCES CORP. | 60.00000000% 40.00000000% | O | | | |
| | Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR | |
| 100/04-04-051-02W5/00 | Ellerslie Member | Flowing | Gas | 100.00000000 | C00006 - A | Contract | Active | Aug-10-1979 | Alternate A | | |
| 102/07-04-051-02W5/00 | Ellerslie Member | Abandoned | Gas | 100.00000000 | S00042 | Surface | Active | Aug-08-1979 | | | |
| Royalty Type | Product | Method | Rate | Conv | Payee | | Payor | Source | | | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of | No | Alberta Energy | 100.00000000 | FREE REIN RESOURCES LTD. | 100.00000000 | | | |

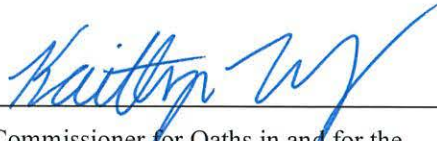
Free Rein Resources Ltd.

Property Report - Mineral

Title:

| | | | | | | | | | | | |
|--|---|--|---------------------------|---------------------------------|---------------------------------|----------------------|---------------------------------|---------------------|---------------|--------------|--|
| Gross Overriding Royalty All Fixed 4% based on 40% Production No OBSIDIAN ENERGY LTD. 100.00000000 PETRUS RESOURCES CORP. 100.00000000 C00006 - A | | | | | | | | | | | |
| Remarks | | | | | | | | | | | |
| M00010-A | Status | Active | | Lease date | Feb-06-1997 | Gross rental | 116.00 | Hectares | Gross | Net | |
| | Name/ID | 0497020175 | | Expiry date | Feb-05-2002 | Net rental | 29.00 | Developed | 33.280 | 8.320 | |
| | Type | Petroleum & Natural Gas Lease | | Extension date | Feb-06-2099 | Next rental date | Feb-06-2022 | Undeveloped | 0.000 | 0.000 | |
| | Area | Telfordville | | Extension | Held By | Paid by | LONGRUN EXPLORATION LTD. | Total | 33.280 | 8.320 | |
| | Prov/State | Alberta | | Terminated | | | | | | | |
| | Min int | 100.00000000 | | | | | | | | | |
| | Int type | Pooled Working Interest | | | | | | | | | |
| | Lands | | | | DOI | Percentage | Flags | Notes | | | |
| | TWP 51 RGE 2 W5M PTN S 5 | | | | SET UP - Rental | | | | | | |
| | Natural Gas from Surface to Base Banff | | | | LONGRUN EXPLORATION LTD. | 100.00000000% | O | | | | |
| PTN DESIGNATED AS NORTH SASKATCHEWAN RIVER | | | | A - Default | | | | | | | |
| | | | | LONGRUN EXPLORATION LTD. | 75.00000000% | O | | | | | |
| | | | | FREE REIN RESOURCES LTD. | 25.00000000% | | | | | | |
| Well | Producing Formations | Status | Product | Prod Alloc % | Related Files | Type | Status | Date | ROFR | | |
| 100/16-05-051-02W5/00 | Lower Mannville | Abandoned | Gas | 12.87030000 | C00015 - A | Contract | Active | Aug-27-2001 | | | |
| 100/16-05-051-02W5/02 | Lower Mannville | Abandoned | Gas | 12.87103000 | | | | | | | |
| Royalty Type | Product | Method | Rate | Conv | Payee | Payor | Source | | | | |
| Crown Sliding Scale | All | Crown Sliding Scale | 100% of Production | No | Alberta Energy | 100.00000000 | LONGRUN EXPLORATION LTD. | 100.00000000 | | | |
| Remarks | | | | | | | | | | | |

This is Exhibit "E"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

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

Date of Search: 2023/12/01
Time of Search: 07:51 AM
Search provided by: FASKEN MARTINEAU DUMOULIN LLP
Service Request Number: 40991857
Customer Reference Number: 324505.00011

Corporate Access Number: 2024476000
Business Number: 862716123
Legal Entity Name: NEWGRANGE ENERGY INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Method of Registration: Amalgamation
Registration Date: 2022/07/28 YYYY/MM/DD

Registered Office:

Street: 3900, 350 - 7TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P3N9

Records Address:

Street: 3900, 350 - 7TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P3N9

Email Address: BYRON@INNSLAW.CA

Primary Agent for Service:

| Last Name | First Name | Middle Name | Firm Name | Street | City | Province | Postal Code | Email |
|-----------|------------|-------------|-----------|---------------------------|---------|----------|-------------|------------------|
| NELSON | BYRON | | INNS LAW | 3900, 350 - 7TH AVENUE SW | CALGARY | ALBERTA | T2P3N9 | BYRON@INNSLAW.CA |

Directors:

Last Name: MCCALLUM
First Name: TERRY
Street/Box Number: 3900, 350 - 7TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P3N9

Voting Shareholders:

Last Name: MCCALLUM
First Name: TERRY
Street: 3900, 350 - 7TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P3N9
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ELECTRONIC ATTACHMENT
Share Transfers Restrictions: N/A
Min Number Of Directors: 1
Max Number Of Directors: 7
Business Restricted To: N/A
Business Restricted From: N/A
Other Provisions: N/A

Other Information:

Amalgamation Predecessors:

| Corporate Access Number | Legal Entity Name |
|-------------------------|----------------------------------|
| 208856039 | NEWGRANGE ENERGY INC. |
| 2014223859 | NEWGRANGE INVESTMENT CORPORATION |

Last Annual Return Filed:

| File Year | Date Filed (YYYY/MM/DD) |
|-----------|-------------------------|
| 2023 | 2023/08/24 |

Filing History:

| List Date (YYYY/MM/DD) | Type of Filing |
|------------------------|---|
| 2022/07/28 | Amalgamate Alberta Corporation |
| 2023/01/03 | Update Business Number Legal Entity |
| 2023/08/24 | Enter Annual Returns for Alberta and Extra-Provincial Corp. |

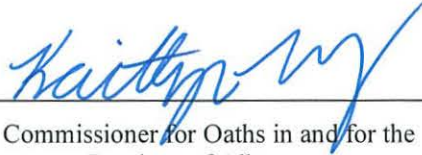
Attachments:

| Attachment Type | Microfilm Bar Code | Date Recorded (YYYY/MM/DD) |
|---------------------------------|--------------------|----------------------------|
| Share Structure | ELECTRONIC | 2022/07/28 |
| Statutory Declaration | 10000707130424805 | 2022/07/28 |

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



This is Exhibit "F"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024.



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

ASSET PURCHASE AGREEMENT

BETWEEN:

**QUESTFIRE ENERGY CORP. by and through its court-appointed receiver and manager
PRICEWATERHOUSECOOPERS INC., LIT, solely in its capacity as court-appointed
receiver and manager of the assets, properties and undertaking of Questfire Energy
Corp., and not in its personal capacity**

- AND -

**NEWGRANGE ENERGY INC., a body corporate having an office in the city of Calgary in
the Province of Alberta**

Effective April 1, 2018

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT made effective as of the 1st day of April, 2018.

BETWEEN:

QUESTFIRE ENERGY CORP. ("Questfire" or the "Debtor") by and through its court-appointed receiver and manager **PRICEWATERHOUSECOOPERS INC., LIT** (the "Receiver"), solely in its capacity as court-appointed receiver and manager of the assets, properties and undertakings of Questfire Energy Corp. and not in its personal capacity (the "Vendor")

- and -

NEWGRANGE ENERGY INC., a body corporate having an office in the city of Calgary in the Province of Alberta (the "Purchaser")

WHEREAS the Receiver was appointed as receiver and manager of all of Questfire's current and future assets, undertakings and properties and all proceeds thereof pursuant to the terms of the Receivership Order granted on November 16, 2017;

AND WHEREAS the Vendor wishes to sell the Assets to the Purchaser and the Purchaser wishes to purchase the Assets from the Vendor, at arms' length, all upon and subject to the terms and conditions set forth in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, mutual covenants, agreements and warranties in this Agreement, the Parties covenant and agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals, this Section 1.1 and the Schedules attached hereto, unless the context otherwise requires, or unless otherwise defined herein, the following words and phrases shall have the following meanings:

- (a) **"Abandonment and Reclamation Liabilities"** means all past, present and future obligations and liabilities to:
 - (i) abandon the Wells and close, decommission, dismantle and remove all structures, foundations, buildings, pipelines, seismic lines, equipment, tanks and other facilities and Tangibles that are or were located in or on the Lands or lands used or previously used in connection with the Lands; and

- (ii) restore, remediate and reclaim any surface and subsurface locations of the Lands on which the Wells, structures, foundations, buildings, pipelines, seismic lines, equipment, tanks and other facilities described in Section 1.1(a)(i) (including Wells, structures, foundations, buildings, pipelines, seismic lines, equipment, tanks and other facilities which were abandoned or decommissioned prior to the date hereof) are or were located and all lands used to gain access to any of them;

all in accordance with generally accepted industry practices in the province where the Assets are located and in compliance with all Applicable Laws and the Title and Operating Documents.

- (b) **"Accounting Firm"** means a nationally or internationally recognized firm of chartered accountants as may be selected by the Parties.
- (c) **"Affiliate"** means any Person that controls, is controlled by or is under common control with a Party, or which controls, is controlled by or under common control with a Person which controls such Party; for the purposes of this definition, the term **"controls"** and **"controlled by"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through the ownership of voting securities or by contract, partnership agreement, trust arrangement or other means, either directly or indirectly, that results in control in fact, provided that direct or indirect ownership of shares of a corporation carrying not less than fifty (50%) percent of the voting rights shall constitute control of such corporation. For certainty, a partnership which is a Party and which is comprised of corporations which are Affiliates shall be deemed to be an Affiliate of each such corporation and its other Affiliates.
- (d) **"Agreement"** means this Asset Purchase Agreement including the recitals hereto and the Schedules attached hereto.
- (e) **"Applicable Laws"** means, in relation to any Person, asset, transaction, event or circumstance:
 - (i) statutes (including regulations enacted thereunder);
 - (ii) judgments, decrees and orders of courts of competent jurisdiction;
 - (iii) regulations, orders, ordinances and directives issued by Government Authorities; and
 - (iv) the terms and conditions of all permits, licenses, approvals and authorizations;which are applicable to such Person, asset, transaction, event or circumstance.
- (f) **"Assets"** means all of the Debtor's right, title, estate and interest in the Petroleum and Natural Gas Rights, the Miscellaneous Interests and the Tangibles.
- (g) **"Business Day"** means any day other than a Saturday, Sunday or statutory holiday in Calgary, Alberta.

- (h) **"Claim"** means any claim, actions, causes of action, demand, lawsuit, proceeding, judgment, awards, decrees, determinations, adjudications, writs, orders, pronouncements, audits, arbitration, mediation, hearings, investigations, governmental investigation or actions of every kind, nature or description, in each case, whether asserted, threatened, pending, contingent or existing, and whether based on contract, tort, statute or other legal or equitable theory of recovery.
- (i) **"Closing"** means the transfer of possession, risk, beneficial and legal ownership of the Assets from the Vendor to the Purchaser, the exchange of Conveyance Documents and payment of the Purchase Price by the Purchaser to the Vendor, and all other items and consideration required to be delivered on the Closing Date pursuant hereto.
- (j) **"Closing Date"** has the meaning provided in Section 5.1.
- (k) **"Closing Payment"** has the meaning provided in Section 3.4.
- (l) **"Conveyance Documents"** means all conveyances, assignments, transfers, novations, notices of assignment, trust agreements and declarations, subleases, directions to pay and other documents and instruments that are reasonably required or desirable in accordance with generally accepted oil and gas industry practice in the province where the Assets are located, to convey, assign and transfer title to the Assets held in the name of the Debtor to the Purchaser and to novate the Purchaser or its Affiliates in the place and stead of the Debtor or its Affiliates with respect to the Assets.
- (m) **"Court"** means the Court of Queen's Bench of Alberta.
- (n) **"Court Approval"** means the approval of the Transaction by the Court and the vesting of the Assets in the name of the Purchaser free and clear of any Encumbrances other than the Permitted Encumbrances, and providing for the sealing of the terms of this Agreement, substantially in the form attached hereto as Schedule "D".
- (o) **"Data Room Information"** means all information provided to the Purchaser in electronic form in relation to the Debtor and/or the Assets.
- (p) **"Debtor"** is as defined in the preamble.
- (q) **"Deposit"** has the meaning provided in Section 3.3(a).
- (r) **"dollar"** and **"\$"** mean a dollar of the lawful money of Canada.
- (s) **"Effective Time"** means 12:01 a.m. on April 1, 2018.
- (t) **"Encumbrance"** means all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, royalties, pledges, options, privilege, interests, assignments, actions, executions, levies, taxes, judgments, writs of execution, lease, reservation of ownership, rights of pre-emption, claims (whether financial, monetary or otherwise) or charges, whether or not they have attached or

been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing, and encumbrances or charges created by the Receivership Order or any other order in the Receivership Proceedings and all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;

- (u) **"Environment"** means the components of the earth and includes ambient air, land, surface and sub-surface strata, groundwater, surface water, all layers of the atmosphere, all organic and inorganic matter and living organisms, and the interacting natural systems that include such components.
- (v) **"Environmental Law"** means all Applicable Laws respecting the protection of, or the control, remediation or reclamation of contamination or pollution of, the Environment or any part thereof.
- (w) **"Environmental Liabilities"** means all past, present and future obligations and liabilities of whatsoever nature or kind arising from or relating to, directly or indirectly:
 - (i) Environmental Matters;
 - (ii) past, present and future non-compliance with, violation of or liability under Environmental Laws relating to or arising in connection with the ownership or control of the Assets; or
 - (iii) Abandonment and Reclamation Liabilities,whenever occurring or arising.
- (x) **"Environmental Matters"** means any activity, event or circumstance in respect of or relating to:
 - (i) the storage, use, holding, collection, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling, transportation or Release of Hazardous Substances;
 - (ii) the protection of the Environment; or
 - (iii) pollution, reclamation, remediation or restoration of the Environment;

in each case relating to or arising in connection with the ownership or control of the Lands or the Assets or that has or have arisen or hereafter arise from or in respect of past, present or future Operations, activities or omissions in or on the Lands or in respect of the Assets, including obligations to compensate Third Parties for Losses and Liabilities.

- (y) "**Excluded Assets**" means any Seismic data and related information, interpretations and analyses.¹
- (z) "**Facilities**" means the Debtor's entire interest in the facilities related to the Assets including the facilities described in Schedule "A", Part 4 and all discontinued facilities.
- (aa) "**Final Statement of Adjustments**" has the meaning provided in Section 4.2(b).
- (bb) "**GAAP**" means generally accepted accounting principles as applied in Canada as of the Effective Time.
- (cc) "**General Conveyance**" means the general conveyance in the form attached as Schedule "B".
- (dd) "**Government Authority**" means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, or department, including any government-owned entity, having jurisdiction over a Party, the Assets or the Transaction.
- (ee) "**GST**" the goods and services tax required to be paid pursuant to the *Excise Tax Act* (Canada) and in accordance with Section 3.5(a).
- (ff) "**Hazardous Substances**" means hazardous or toxic substances, hazardous wastes, radioactive substances, asbestos, dangerous goods and Petroleum Substances, including any and all substances and wastes regulated under Environmental Law.
- (gg) "**Interim Statement of Adjustments**" has the meaning provided in Section 4.2(a).
- (hh) "**Land Schedule**" means the lands listed in Schedule "A", Part 1.
- (ii) "**Lands**" means the entire interest of Debtor as of the Effective Time in and to the lands set forth and described in the Land Schedule, and includes (i) unless the context otherwise requires, the surface of such lands and (ii) the Petroleum Substances within, upon or under such lands, together with the rights to mine for, drill for, explore for, win, take, own or remove same, insofar as the same are granted by the Leases to such lands.
- (jj) "**Leases**" means the leases, subleases, reservations, permits, licenses or other documents of title set forth and described in the Land Schedule by virtue of which the holder thereof is entitled to drill for, explore for, mine, win, take, own or remove Petroleum Substances underlying the Lands and include, if applicable, all renewals and extensions of such documents and all documents issued in substitution therefor.
- (kk) "**Losses and Liabilities**" means, in relation to a matter, any and all:

¹ NOTE: An exclusive license for any seismic data related to the Petroleum and Natural Gas Rights and the Lands is available from the purchaser of all of the Vendor's Seismic Data.

- (i) losses, costs, damages, expenses and charges (including all penalties, assessments and fines) which a Party suffers, sustains, pays or incurs, directly or indirectly, in connection with such matter and includes costs of legal counsel (on a full indemnity basis) and other professional advisors and reasonable costs of investigating and defending Claims arising from the matter, regardless of whether such Claims are sustained and includes taxes payable on any settlement payment or damage award in respect of such matter; and
- (ii) liabilities and obligations (whether under common law, in equity, under Applicable Law or otherwise; whether tortious, contractual, vicarious, statutory or otherwise; whether absolute or contingent; and whether based on fault, strict liability or otherwise) which a Party suffers, sustains, pays or incurs as a result of or in connection with such matter;

but excluding indirect, incidental, consequential, exemplary, special or punitive losses or damages or loss of profits suffered, sustained, paid or incurred by a Party.

(II) **"Miscellaneous Interests"** means, subject to the exclusion of the Excluded Assets, all of the right, title, interest and estate of the Debtor in and to all property, assets and rights, whether contingent or absolute, legal or beneficial, present or future, vested or not (other than the Petroleum and Natural Gas Rights and the Tangibles), to the extent relating to the Petroleum and Natural Gas Rights, the Tangibles or the Lands, and to which the Debtor is entitled at the Effective Time, including the following property, rights and assets:

- (i) all contracts, agreements, books, records, files, maps and documents to the extent that they relate to the Petroleum and Natural Gas Rights, the Tangibles or the Lands, including the Title and Operating Documents and any rights of the Debtor in relation thereto;
- (ii) the Surface Interests and all contracts, agreements, books, records, files, maps and documents to the extent that they relate to the Surface Interests, including the Title and Operating Documents and any rights of the Debtor in relation thereto;
- (iii) all engineering and technical information (including all data, reports, findings and archive samples, and all core or liquid samples and cuttings) to the extent relating to the Petroleum and Natural Gas Rights, the Tangibles or the Lands which the Debtor has in its custody or has access, excluding any such information which is subject to confidentiality restrictions;
- (iv) all permits, licenses, approvals, orders and other authorizations, crossing privileges and other subsisting rights to carry out operations on the Lands and any lands upon which the Tangibles or Wells are located, including well and pipeline licenses and other permits, licenses, approvals, orders and other authorizations relating to the Petroleum and Natural Gas Rights, the Tangibles, the Wells or the Lands; and

- (v) the Wells, including the entire wellbores and casings, and all contracts, agreements, books, records, files, maps and documents to the extent that they relate to the Wells, including the Title and Operating Documents and any rights of the Debtor in relation thereto.
- (mm) "**Operations**" means any and all work, activities and operations of any kind whatsoever conducted on or with respect to the Assets.
- (nn) "**Party**" means the Vendor or the Purchaser, and "**Parties**" means the Vendor and the Purchaser.
- (oo) "**Permitted Encumbrances**" means any of the following:
 - (i) easements, rights of way, servitudes, permits, licenses and other similar rights in land, 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 cable;
 - (ii) the right reserved to or vested in any Government Authority by the terms of any Title and Operating Document, lease, license, franchise, grant or permit or by any Applicable Law, to terminate any such Title and Operating Document, lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
 - (iii) the right reserved to or vested in any Government Authority to levy taxes on Petroleum Substances or the income or revenue attributable thereto and governmental requirements and limitations of general application;
 - (iv) rights reserved to or vested in any Government Authority to control or regulate any of the Assets in any manner;
 - (v) liens granted in the ordinary course of business to a public utility or Government Authority in connection with operations on or in respect of the Lands;
 - (vi) the express or implied reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interests therein and statutory exceptions to title;
 - (vii) all royalty burdens, liens, adverse claims, penalties, conversions and other Encumbrances identified in the Land Schedule;
 - (viii) the terms and conditions of the Leases and the Title and Operating Documents; and
 - (ix) any other circumstance, matter or thing disclosed in any Schedule hereto.

Additionally, the following items must be identified in a Schedule to qualify as a Permitted Encumbrance: (A) any overriding royalty, net profits or other similar encumbrance applicable to the Petroleum and Natural Gas Rights for which

Purchaser will assume the obligation for payment; (B) any existing potential alteration of the Debtor's interests in the Assets because of a payout conversion or farm-in, farm-out or other similar agreement; and (C) any security interest which would not be a Permitted Encumbrance under the preceding paragraphs of this definition.

- (pp) **"Person"** means any individual, company, corporation, limited or unlimited liability company, sole proprietorship, joint venture, partnership (limited or general), trust, trustee, executor, Government Authority or other entity.
- (qq) **"Petroleum and Natural Gas Rights"** means all of the right, title, estate and interest, whether absolute or contingent, legal or beneficial, present or future, vested or not, and whether or not an "interest in land", of the Debtor in and to the Lands and the Leases, subject in all events to the Permitted Encumbrances, as more particularly set out in Schedule "A", Part 3.
- (rr) **"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 or produced in conjunction with any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur and hydrogen sulphide.
- (ss) **"Place of Closing"** means the offices of Blake, Cassels & Graydon LLP at 3500, 855 – 2nd Street S.W. in the City of Calgary in the Province of Alberta, or as otherwise agreed to in writing by the Parties.
- (tt) **"Prime Rate"** means the rate of interest (expressed as a rate per annum) used by the main branch of the National Bank in Calgary, Alberta from time to time as the reference rate used in determining the rates of interest payable on Canadian dollar commercial demand loans made by such bank in Canada and which is announced by such bank, from time to time, as its "prime rate".
- (uu) **"Property"** has the meaning given to it in the Receivership Order.
- (vv) **"Purchase Price"** has the meaning given in Section 3.1.
- (ww) **"Receivership Order"** means the order issued by the Court in the Receivership Proceedings on November 16, 2017, as amended, modified or supplemented from time to time.
- (xx) **"Receivership Proceedings"** means the proceedings before the Court and identified as Court File No. 1701-15267.
- (yy) **"Release"** means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Hazardous Substance into or through the Environment or into or out of any lands, including the movement of a Hazardous Substance through or in any part of the Environment.
- (zz) **"Representatives"** means, with respect to any Party, the respective directors, officers, servants, agents, advisors, employees, consultants and representatives of that Party.

- (aaa) **"Right of First Refusal" or "ROFR"** means a right of first refusal, pre-emptive right of purchase or similar right whereby any Third Party has the right to acquire or purchase any of the Assets as a consequence of the parties entering into this Agreement or the completion of the Transaction.
- (bbb) **"ROFR Assets"** has the meaning set forth in Section 8.2(b).
- (ccc) **"Seismic Data"** means all owned proprietary geophysical information, regardless of the form or medium in/on which it is displayed and which Vendor either owns or for which it has the right to grant licenses, and any existing related support documentation (including open file, non-exclusive reprocessed seismic data, processed seismic data, stack sections, field gathering tapes, surveying data, surveyor's notes, driller's notes and observer's notes).
- (ddd) **"Surface Interests"** means all right, title, interest and estate of the Debtor to enter upon, use, occupy and enjoy the surface of the Lands, and any lands with which the same have been pooled or unitized, and any lands upon which the Wells or the Tangibles are located and any lands used to gain access thereto or egress therefrom, in each case, for purposes related to the use or ownership of the Petroleum and Natural Gas Rights, the Tangibles or Wells or Operations, whether the same are held in fee simple, under a surface lease, by right of way, easement, license of occupation or otherwise.
- (eee) **"Tangibles"** means, subject to the exclusion of the Excluded Assets, collectively, (i) all of the right, title, interest and estate of the Debtor in the Facilities; and (ii) all right, title, interest and estate of the Debtor and whether absolute or contingent, legal or beneficial, present or future, vested or not, in and to the tangible depreciable property and assets located within, upon, to the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, or make marketable Petroleum Substances or in connection with water condensate, injection or removal operations or other *in situ* operations that pertain to the Petroleum and Natural Gas Rights, and including those assets listed in Schedule "A", Part 5.
- (fff) **"Third Party"** means any Person other than the Parties, their Affiliates or their respective Representatives.
- (ggg) **"Title and Operating Documents"** means all agreements, contracts, instruments and other documents that govern the ownership, operation or use of the Assets or relate to Permitted Encumbrances, including (i) the Leases and other agreements and instruments pursuant to which the Petroleum and Natural Gas Rights were issued, granted or created, (ii) permits, licenses, approvals, orders and authorizations, (iii) operating agreements, pooling agreements, unit agreements, production allocation agreements, trust declarations, participation agreements, joint venture agreements, purchase and sale agreements, asset exchange agreements, farm-in agreements, farm-out agreements and royalty agreements, (iv) agreements that create or relate to Surface Interests, including surface rights documentation and road use agreements, (v) agreements for the construction, ownership and/or operation of the Tangibles and the Wells, (vi) trust declarations and other documents and instruments that evidence the Debtor's interests in the Assets, (vii) trust declarations pursuant to which the Debtor hold interests in the

Lands in trust for other Persons, (viii) service agreements for the treating, gathering, storage, transportation or processing of Petroleum Substances or other substances, the injection or subsurface disposal of other substances, the use of well bores of the operation of any Tangibles or Wells by a Third Party, and (ix) agreements for the sale of Petroleum Substances that are terminable on 31 days' notice or less without early termination penalty or other cost; but notwithstanding the foregoing, excluding all of the foregoing to the extent relating to the Excluded Assets.

- (hhh) **"Transaction"** means the transaction for the purchase and sale of the Assets as contemplated by this Agreement.
- (iii) **"Vendor Consents"** has the meaning provided in Section 8.1.
- (jjj) **"Vendor Entity"** means the Vendor and its Representatives, and each of their respective successors and assigns.
- (kkk) **"Wells"** means all producing, shut in, abandoned, suspended, capped, water source, service, observation, delineation, injection and disposal wells located on the or within the Lands or any lands pooled or unitized therewith, whether or not completed, as set out in Schedule A, Part 2, together with all well licenses relating thereto.

1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) the headings in this Agreement are inserted for convenience of reference only and shall not affect the meaning, interpretation or construction of this Agreement;
- (b) all documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict;
- (c) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, and all amendments made thereto and in force at the date hereof;
- (d) whenever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning plural or feminine or referring to a body politic or corporate, and *vice versa*, as the context requires;
- (e) the words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement;
- (f) reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified;

- (g) if any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict; and
- (h) "Include" and derivatives thereof shall be read as if followed by the phrase "without limitation".

1.3 Schedules

The following schedules are attached to and form part of this Agreement:

| | |
|--------------|----------------------------------|
| SCHEDULE "A" | |
| Part 1 | Lands, Leases and Permits |
| Part 2 | Wells |
| Part 3 | Petroleum and Natural Gas Rights |
| Part 4 | Facilities |
| Part 5 | Other Assets |
| SCHEDULE "B" | Form of General Conveyance |
| SCHEDULE "C" | Form of Officer's Certificate |
| SCHEDULE "D" | Form of Court Approval Order |
| SCHEDULE "E" | ROFRs |

1.4 Interpretation If Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Assets shall be construed as having been contingent upon Closing having occurred.

1.5 Knowledge or Awareness

References to a Party's knowledge or awareness and similar references contained in Sections 10.1 and 10.3 mean the actual knowledge or awareness, as the case may be, of the officers of such Party who are primarily responsible for the matters in question, and does not include knowledge and awareness of any other Person or any other Person or any constructive or imputed knowledge. A Party shall not have any obligation to make inquiry of any Person or the files and records of any Person or of any Government Authority in connection with any representations and warranties contained herein that are made to its knowledge, information, belief or awareness.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale

Subject to the terms and conditions of this Agreement, the Vendor hereby agrees to sell, assign, transfer, convey and set over the Assets to the Purchaser, and the Purchaser agrees to purchase and accept the Assets from the Vendor, at and for the Purchase Price.

2.2 Transfer of Assets

Provided that Closing occurs, and subject to the terms and conditions of this Agreement, possession, risk, beneficial and legal ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date.

2.3 Excluded Liabilities

The Purchaser shall not assume any liabilities or obligations of the Vendor other than as may be specifically provided in this Agreement.

ARTICLE 3 PURCHASE PRICE AND PAYMENT

3.1 Purchase Price

The purchase price to be paid by the Purchaser to the Vendor for the Assets shall be \$250,000, subject to adjustment only as set forth in Section 4.1 and Section 4.2 (the "**Purchase Price**").

3.2 Allocation of the Purchase Price

The Purchase Price shall be allocated among the Assets as follows:

- | | | |
|-----|---|-------------------|
| (a) | to the Petroleum and Natural Gas Rights | 100% less \$10.00 |
| (b) | to the Tangibles | 0% |
| (c) | to the Miscellaneous Interests | \$10.00 |

3.3 Deposit

- (a) The Purchaser shall pay to the Vendor, by certified cheque, bank draft or electronic transfer of funds, a deposit of \$25,000 totalling 10% of the Purchase Price, on the date that it executes this Agreement (referred to hereinafter as the "**Deposit**"). The Deposit received by the Vendor pursuant to this Section 3.3(a) shall be held in trust by the Receiver or the Receiver's counsel and shall be releasable in accordance with this Agreement.
- (b) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit received by the Vendor shall be paid to the Vendor and credited against the Purchase Price, in partial satisfaction of the Purchaser's obligation to pay the Purchase Price at Closing.
- (c) If Closing does not occur:
 - (i) due to the conditions precedent in favour of the Purchaser set forth in Section 9.2 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Deposit received by the Vendor shall be returned by the Receiver or the Receiver's counsel, as applicable, to the Purchaser, this Agreement shall thereupon terminate, and each Party shall be released from all obligations and liabilities under or in connection with this Agreement; or

- (ii) due to the Purchaser being in default of its obligations pursuant to Sections 9.1(a), (b) or (c) of this Agreement, and such default not having been waived in accordance with the terms of this Agreement, the Vendor shall be entitled to the Deposit, the Deposit shall be forfeited to the Vendor, and the Vendor shall be entitled to terminate this Agreement.
- (d) The Purchaser and the Vendor hereby acknowledge and agree that, should Closing not occur for any reason provided in Section 3.3(c)(i), the Vendor will suffer and incur damages that cannot be precisely calculated, and will therefore be entitled to retain the Deposit pursuant to Section 3.3(c)(i) as liquidated damages, and not as a penalty, the Deposit being a genuine pre-estimate of the damages that will be suffered by the Vendor as contemplated by this Section 3.3(d) and the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring.

3.4 Closing Payment

The Purchaser shall pay to the Vendor at Closing, by certified cheque, bank draft or electronic wire transfer, the adjusted Purchase Price as set forth in the Interim Statement of Adjustments plus any taxes and fees (including GST) payable under Section 3.5 (the "**Closing Payment**").

3.5 Taxes and Fees

- (a) The Purchase Price does not include GST. At Closing, the Purchaser shall pay to the Vendor an amount equal to the statutory rate of GST on the portion of the Purchase Price allocated to Tangibles and Miscellaneous Interests pursuant to Section 3.2 and on the amount attributable to any other Assets or expenses to which GST may apply. The Purchaser shall be liable for the payment and remittance of any additional amount of GST payable in respect of the purchase of the Assets pursuant hereto, including any interest, penalties, or any other costs payable in respect of such additional GST, and shall indemnify and save harmless the Vendor in respect thereof. The GST Registration Number of Questfire is 817732860 RT0002. The GST Registration Number of the Purchaser is 862716123RT0001.
- (b) The Purchaser shall also be liable for and shall pay any and all land transfer taxes, federal or provincial sales taxes and all other taxes, duties or other similar charges properly payable upon and in connection with the conveyance and transfer of the Assets by the Vendor to the Purchaser and the Purchaser shall be responsible for all recording charges and registration fees payable in connection therewith.
- (c) The Parties agree to make such elections (including, without limitation, with respect to GST or Taxes) as prudent and available to minimize taxes payable as a result of the Transaction. Purchaser, acting reasonably, shall prepare, and each Party agrees to execute and file, any such elections in the form and within the time periods prescribed or specified under Applicable Laws.

ARTICLE 4 ADJUSTMENTS

4.1 Adjustments

- (a) All costs and revenues accruing, payable, paid, received or receivable in respect of the Assets, including rentals, maintenance, development, capital and operating costs, advances, and payments with respect to Permitted Encumbrances shall be apportioned between the Vendor and the Purchaser on an accrual basis in accordance with GAAP as of the Effective Time, on and subject to the following:
- (i) except as otherwise provided in this Section 4.1, all such costs and revenues accruing up to the Effective Time shall be for the account of the Vendor and all such costs and revenues accruing after the Effective Time shall be for the account of the Purchaser;
 - (ii) all such revenues accruing up to the Effective Time shall be for the Vendor's account, regardless of whether such revenues are received or receivable prior to or after the Effective Date, and Purchaser shall hold in trust for, on behalf of and pay to the Vendor any such revenues received by the Purchaser, and all such revenues accruing after the Effective Time shall be for the Purchaser's account, regardless of whether such revenues are received or receivable prior to or after the Effective Date, and Vendor shall hold in trust for, on behalf of and pay to the Purchaser any such revenues received by the Vendor;
 - (iii) all costs of whatever nature that pertain to work performed or goods or services provided with respect to the Assets prior to the Effective Time, shall be borne by the Vendor, and all costs of whatever nature that pertain to work performed or goods or services provided with respect to the Assets after the Effective Time, shall be borne by the Purchaser;
 - (iv) all rentals, property taxes and other periodic payments (other than income taxes) shall be apportioned between the Vendor and the Purchaser on a *per diem* basis as of the Effective Time, provided that (a) all such rentals, property taxes and other periodic payments accruing up to the Effective Time shall be for the Vendor's account (it being expressly understood and agreed that any rentals, property taxes and other periodic payments vested off title to the Assets in accordance with the Court Approval shall not be adjusted), and (b) all such rentals, property taxes and other periodic payments accruing after the Effective Time shall be for the Purchaser's account; and
 - (v) there shall not be any adjustment on account of income taxes.
- (b) All adjustments to be made pursuant to this Section 4.1 shall be allocated to the Petroleum and Natural Gas Rights.

4.2 Statement of Adjustments

- (a) The Vendor shall carry out an accounting and adjustment and prepare and deliver to the Purchaser at least three (3) Business Days prior to the Closing Date a statement setting forth the Vendor's good faith estimate of all adjustments to be made for the Transaction (the "**Interim Statement of Adjustments**") in accordance with the foregoing Section 4.1. Vendor shall make available to Purchaser all information reasonably necessary for Purchaser to understand and confirm the calculations in that statement.
- (b) Within ninety (90) days following the Closing Date, the Vendor shall prepare and deliver, and the Purchaser shall cooperate in preparing, a final statement of all adjustments and payments ("**Final Statement of Adjustments**"), on the basis of the information available within that period, to be made pursuant to Section 4.1 including any settlement payment required to be made by either Party as a result of differences between the Final Statement of Adjustments and the Interim Statement of Adjustments.
- (c) During the thirty (30) days following receipt by the Purchaser of the Final Statement of Adjustments, either Party may audit the books, records and accounts of the other Party and their successors and assigns respecting the Assets and Final Statement of Adjustments, for the purpose of confirming settlement payments pursuant to this Section. Such audit shall be conducted upon reasonable notice to the other Party at the non-auditing Party's offices during normal business hours, and shall be conducted at the sole expense of the auditing Party. Any claims or discrepancies disclosed by such audit shall be made in writing to the other Party within thirty (30) days following the receipt by the Purchaser of the Final Statement of Adjustments, if a proposed change is disputed by the other Party and the Parties fail to resolve the dispute within 10 days after receipt of such notice of a claim or discrepancy, then an Accounting Firm shall be immediately engaged by the Parties to resolve the dispute and the Accounting Firm shall be requested to render its decision without qualifications other than the usual qualifications relating to engagements of this nature, within 14 days after the dispute is referred to it. The decision of the Accounting Firm shall be final and binding upon the Parties and shall not be subject to appeal by either Party. Each of Vendor and Purchaser shall be responsible for and shall pay 50% of the fees and expenses of the Accounting Firm.
- (d) All adjustments shall be settled by the prompt payment by any Party obliged to make payment pursuant to this Agreement. Interest at the Prime Rate plus one percent per annum shall be paid on any settlement payment which remains unpaid by one Party to the other Party when due, with such interest accruing from the date such amount is due to the date payment is made.
- (e) Subject only to this Section 4.2, the Final Statement of Adjustments shall constitute the final accounting between the Parties in respect of costs and revenues accruing, payable, paid, received or receivable in respect of the Assets, shall be binding on the Parties and shall not be subject to dispute. For certainty, notwithstanding any other provision in this Agreement, save pursuant to the Final Statement of Adjustments, there shall be no further adjustments made between the Parties in respect of any costs or revenues accruing, payable, paid, received or receivable

in respect of the Assets, including rentals, maintenance, development, capital and operating costs, advances, and payments with respect to Permitted Encumbrances, including, but not limited to, any costs or revenues that are disclosed or adjusted as a consequence of any subsequent joint venture audits, royalty adjustments or similar audit or adjustment procedures pursuant to the Title and Operating Documents or Applicable Law.

- (f) Subject to Section 4.2(c), the Purchaser and the Vendor will each bear their own fees and expenses, including the fees and expenses of their respective accountants and auditors, in preparing or reviewing, as the case may be, the Final Statement of Adjustments.

ARTICLE 5 CLOSING

5.1 Closing

The Closing of the Transaction shall take place at the Place of Closing or such other place as the Parties may agree on the later of:

- (a) two Business Days following the day the Court Approval is obtained; or
- (b) such other Business Day as the Parties may agree in writing;

(the "Closing Date").

ARTICLE 6 INTERIM PROVISIONS

6.1 Assets to be Maintained

Until the Closing Date, the Vendor shall, subject to the Title and Operating Documents:

- (a) subject to the terms of the Receivership Order, cause the Assets to be operated and maintained in a proper and prudent manner in accordance with generally accepted industry practices and all Applicable Laws;
- (b) pay or cause to be paid all costs and expenses relating to the Assets which become due prior to the Closing Date; and
- (c) subject to the terms of the Receivership Order, perform and comply in all material respects with the covenants and conditions contained in the Title and Operating Documents to be performed or complied with by the Vendor prior to Closing.

6.2 Restrictions on Conduct of Business

The Vendor shall not, between the date of this Agreement and the Closing Date, without the written consent of the Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed:

- (a) make any commitment or propose, initiate or authorize any capital expenditure out of the ordinary course of business with respect to the Assets, of which the Debtor's

share is in excess of \$25,000, except in the case of an emergency or as may be reasonably necessary to protect or ensure life and safety or to preserve the Assets or title to the Assets (including Lease rental payments) or in respect of amounts which the Vendor may be committed to expend or be deemed to authorize for expenditure without its consent;

- (b) other than in the ordinary course of business, materially amend or terminate any agreement or instrument relating to the Assets or enter into any new agreement or commitment relating to the Assets, except as may be reasonably necessary to protect or ensure life and safety or to preserve the Assets or title to the Assets;
- (c) surrender or abandon any of the Assets, unless an expenditure of money is required to avoid the surrender or abandonment and the Purchaser does not provide same in a timely fashion, in which event the Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price;
- (d) sell, transfer, assign, encumber or otherwise dispose of any of the Assets or any interest therein; or
- (e) exercise any right or option of the Debtor relative to or arising as a result of the ownership of the Assets.

6.3 Following Closing

- (a) Following Closing, Vendor shall hold title to the Assets in trust for Purchaser, as bare legal trustee, until all necessary notifications, registrations and other steps required to transfer such title to Purchaser have been completed and, in furtherance thereof:
 - (i) the Vendor shall forward all statements, notices and other information received by it pursuant to such Title and Operating Document that pertains to the Assets to Purchaser promptly following its receipt thereof; and
 - (ii) the Vendor shall forward to other parties to the Title and Operating Documents such notices and elections pursuant to such Title and Operating Documents pertaining to the Assets as Purchaser may reasonably request;

provided that the Vendor shall not be required to initiate or conduct Operations in relation to the Assets.

- (b) Purchaser shall indemnify and save and hold harmless the Vendor Entity from and against all Losses and Liabilities arising as a consequence of the provisions of this Section 6.3, except to the extent caused by the gross negligence or wilful misconduct of the Vendor Entity. Acts or omissions taken by the Vendor Entity on the instructions of, or with the express written approval of the Purchaser shall not constitute gross negligence or wilful misconduct.

**ARTICLE 7
ACCESS TO INFORMATION AND RECORDS**

7.1 Technical and Operating Information

The Vendor shall, upon request and subject to contractual restrictions relating to disclosure, make available all technical data relating to the Assets (including, as may be available, seismic data, drilling reports, land files, surface disposition files, environmental files, well files and production records, but excluding data and information which are subject to confidentiality restrictions prohibiting their disclosure) as are in the possession or control of the Vendor or the Debtor for such inspection as the Purchaser reasonably requires in connection herewith. Upon reasonable written notice to the Vendor the Purchaser shall be entitled to conduct a field inspection of the Lands.

7.2 No Right to Reduction in Purchase Price

Notwithstanding anything to the contrary in this Agreement, the Purchaser acknowledges and agrees that it shall have no right or other entitlement to any abatement or reduction in the Purchase Price as a result of, arising from or in connection with any deficiency or allegation of deficiency in respect of the Assets, including, without limitation, any Environmental Liability or deficiency or title deficiency, whether identified in connection with the Purchaser's right to information as provided by Section 7.1 or otherwise.

7.3 Access to Records

The Vendor may, at its sole expense, for a period of two (2) years after Closing, request from the Purchaser copies or photocopies of any Title and Operating Documents, correspondence, documents, records, policies, manuals, reports, or other proprietary, confidential business or technical information which were delivered to the Purchaser at Closing by the Vendor and which the Vendor reasonably requires. The Purchaser shall use reasonable commercial efforts to provide the Vendor with the requested documentation.

**ARTICLE 8
THIRD PARTY CONSENTS AND RIGHTS OF FIRST REFUSAL**

8.1 Consents

The Vendor shall, forthwith upon execution of this Agreement, use commercially reasonable efforts to:

- (a) identify and request in writing all necessary consents, permissions and approvals by Third Parties and Government Authorities in connection with the Transaction customarily obtained by a vendor prior to Closing (the "**Vendor Consents**"); and
- (b) provide prior written notice to all Third Parties and Government Authorities in sufficient time to allow any Vendor Consents having an expiry period to expire (if not refused) prior to the Closing Date.

8.2 Rights of First Refusal

- (a) Within three (3) Business Days from the date hereof, the Purchaser, acting reasonably and in good faith, shall provide the Vendor with its allocated values for the Assets which are subject to Rights of First Refusal. Promptly after such allocations are provided to the Vendor, it shall send notices to the Persons (Including the Purchaser, if applicable) holding such Rights of First Refusal in accordance with the Title and Operating Documents creating them, using such values provided by the Purchaser. Purchaser shall be liable for and indemnify and save Vendor harmless from and against all Losses and Liabilities which the Vendor may suffer, sustain, pay or incur as a result of utilizing any value allocations supplied by the Purchaser.
- (b) If any Third Party elects to exercise any Rights of First Refusal, the portion of the Assets subject to such Rights of First Refusal (the "**ROFR Assets**") shall not be sold pursuant hereto, and the definitions of "Assets", "Lands", "Leases", "Miscellaneous Interests", "Petroleum and Natural Gas Rights", "Facilities", "Tangibles" and "Wells" shall not include the ROFR Assets. The Purchase Price and any applicable GST and/or sales taxes shall be reduced accordingly.

ARTICLE 9 CONDITIONS PRECEDENT TO CLOSING

9.1 Vendor's Closing Conditions

The obligation of the Vendor to complete the sale of the Assets pursuant to this Agreement is subject to the satisfaction at or prior to the Closing Date of the following conditions precedent:

- (a) **Representations and Warranties True:** All representations and warranties of the Purchaser contained in this Agreement shall be true in all material respects as of the date of this Agreement and as of the Closing Date, and the Vendor shall have received a certificate from an officer of the Purchaser substantially in the form attached hereto as Schedule "C" dated as of the Closing Date;
- (b) **Purchaser's Obligations:** The Purchaser shall have, in all material respects, timely performed and satisfied all obligations and covenants required by this Agreement to be performed and satisfied by the Purchaser on or prior to the Closing Date;
- (c) **Conveyance Documents:** The Purchaser shall have executed and delivered to the Vendor all Conveyance Documents required under Section 12.1(a) and the General Conveyance;
- (d) **Restrictions:** All Vendor Consents, as well as all necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions;
- (e) **No Injunction:** There will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction; and
- (f) **Court Approval:** The Court Approval shall have been obtained.

The foregoing conditions shall be for the benefit of the Vendor and may, without prejudice to any of the rights of the Vendor hereunder excluding reliance on or enforcement of any representations, warranties or covenants dealing with the subject of or similar to the condition waived, be waived by it in writing, in whole or in part, at any time, provided that the Vendor is not entitled to waive the Court Approval condition contained in Section 9.1(f). The Vendor shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions in case any of the said conditions shall not be complied with, or waived by the Vendor, at or before the Closing Date, the Vendor may terminate this Agreement by written notice to the Purchaser and the Deposit shall be governed by Section 3.3.

9.2 Purchaser's Closing Conditions

The obligation of the Purchaser to complete the purchase of the Assets pursuant to this Agreement is subject to the satisfaction, at or prior to the Closing Date, of the following conditions precedent:

- (a) **Representations and Warranties True:** All representations and warranties of the Vendor contained in this Agreement shall be true in all material respects as of the date of this Agreement and as of the Closing Date;
- (b) **Vendor's Obligations:** The Vendor shall have, in all material respects, timely performed and satisfied all obligations and covenants required by this Agreement to be performed and satisfied by the Vendor (and shall have caused the Debtor to perform and satisfy in a timely manner all of its obligations hereunder) on or prior to the Closing Date;
- (c) **Conveyance Documents:** The Vendor shall have executed and delivered to the Purchaser all Conveyance Documents required under Section 12.1(a) and the General Conveyance;
- (d) **Restrictions:** All Vendor Consents, as well as all necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions;
- (e) **No Injunction:** There will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction; and
- (f) **Court Approval:** The Court Approval shall have been obtained.

The foregoing conditions shall be for the benefit of the Purchaser and may, without prejudice to any of the rights of the Purchaser hereunder (excluding reliance on or enforcement of any representations, warranties or covenants dealing with the subject of or similar to the condition waived), be waived by it by notice to the Vendor in writing, in whole or in part, at any time, provided that the Purchaser is not entitled to waive the Court Approval condition contained in Section 9.2(f). The Purchaser shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions. In case any of the said conditions shall not be complied with, or waived by the Purchaser at or before the Closing Date, the Purchaser may terminate this Agreement by written notice to the Vendor and the Deposit shall be governed by Section 3.3.

9.3 Parties to Exercise Diligence and Good Faith with respect to Conditions

Each Party covenants to the other that it will proceed diligently, honestly, and in good faith, and use commercially reasonable efforts with respect to all matters within its reasonable control to satisfy its respective conditions in Sections 9.1 and 9.2.

ARTICLE 10 REPRESENTATIONS AND WARRANTIES

10.1 Vendor's Representations and Warranties

The Vendor hereby represents and warrants to the Purchaser that:

- (a) the Receiver has been appointed by the Court as receiver of the assets, properties and undertakings of the Debtor and such appointment is valid and subsists;
- (b) the Receiver, in its capacity as court-appointed receiver of the assets, properties and undertaking of the Debtor and not in its personal capacity, has good right, full power and absolute authority to enter into this Agreement and the other documents and agreements executed and delivered hereunder and to sell, assign, transfer, convey and set over the interest of the Debtor in and to the Assets, subject to the terms and conditions of the Receivership Order and the Court Approval;
- (c) neither the Receiver, the Vendor or the Debtor has incurred any obligation or liability, contingent or otherwise, for broker's or finder's fees in respect of the Transaction for which the Purchaser shall have any obligations or liability;
- (d) neither the Receiver, the Vendor or the Debtor have, as at the date hereof, received notice of any Claims in existence, contemplated, pending or threatened against them seeking to prevent the consummation of the Transaction;
- (e) provided the Court Approval is obtained:
 - (i) this Agreement has been and all documents and agreements to be executed and delivered by the Vendor at Closing pursuant to this Agreement shall be, duly executed and delivered by it; and
 - (ii) upon execution by the Purchaser and the Vendor, this Agreement constitutes, and all documents and agreements required to be executed and delivered by the Vendor at Closing will constitute, legal, valid and binding obligations of the Vendor enforceable against the Vendor in accordance with their respective terms, subject to the provisions of the Receivership Order and any other orders of the Court in the Receivership Proceedings, bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally and the discretionary nature of equitable remedies and defences;
- (f) provided the Court Approval is obtained, the Receiver, without making any inquiries, and excluding the Alberta Energy Regulator with respect to approval of the transfer of applicable well licences and permits, is not aware that any authorization or approval or other action by, and no notice to or filing with, any

Government Authority exercising jurisdiction over the Assets is required by them or on their behalf for the due execution and delivery of this Agreement;

- (g) provided the Court Approval is obtained, the Receiver, without making any inquiries, is not aware that consummation of the Transaction will constitute or result in a material violation, breach or default by the Debtor under any provision of any agreement or instrument to which the Debtor is a party or by which the Debtor is bound or any judgment, law, decree, order or ruling applicable to the Debtor; and
- (h) the Debtor is not a non-resident of Canada for the purposes of the *Income Tax Act*, (Canada).

10.2 No Additional Representations and Warranties by the Vendor

- (a) Notwithstanding anything to the contrary in this Agreement, the Vendor makes no representations or warranties except as expressly set forth in Section 10.1 and in particular, and without limiting the generality of the foregoing, the Vendor disclaims and shall not be liable for any representation or warranty express or implied, of any kind, at law or in equity, which may have been made or alleged to be made in any instrument or document relative hereto, or in any statement or information made or communicated to the Purchaser in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Debtor, the Receiver or their Representatives in connection with the Assets or in relation to the Transaction. For greater certainty, the Vendor makes no representation or warranty, express or implied, of any kind, at law or in equity, with respect to:
 - (i) the accuracy or completeness of the Data Room Information or any other data or information supplied by the Vendor or the Debtor or any of its Representatives in connection with the Assets;
 - (ii) the quality, quantity or recoverability of any Petroleum Substances with or under the Lands;
 - (iii) the value of the Assets or any estimates of prices or future cash flows arising from the sale of any Petroleum Substances produced from or allocated to the Assets or the Lands or any estimates of other revenues or expenses attributable to the Assets;
 - (iv) the availability or continued availability of facilities, services or markets for the processing, transportation or sale of any Petroleum Substances;
 - (v) the ability of the Purchaser to obtain any necessary approval from any Government Authority in order for the Purchaser to operate the Assets;
 - (vi) the quality, condition, fitness, suitability, serviceability or merchantability of any of the Tangibles; or
 - (vii) the title of the Debtor to the Assets.

The Purchaser acknowledges and confirms that It is relying on its own investigations concerning the Assets and it has not relied on advice from the Vendor or any of its Representatives with respect to the matters specifically enumerated in the immediately preceding paragraphs in connection with the purchase of the Assets pursuant hereto. The Purchaser further acknowledges and agrees that it is acquiring the Assets on an "as is, where is" and "without recourse" basis. The Purchaser acknowledges and agrees that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Assets, except as expressly contained in Section 10.1 of this Agreement.

- (b) Except for its express rights under this Agreement and as expressly contained in Section 10.1 of this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all equitable, common law, tort, contractual and statutory rights and remedies) against the Vendor or Vendor Entity in respect of the Assets or the Transaction or any representations or statements made, direct or indirect, express or implied, or information or data furnished to the Purchaser or its Representatives, in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means).

10.3 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it is and at the Closing Date shall continue to be a valid and subsisting corporation under the laws of its jurisdiction of registration and is authorized to carry out business in the jurisdiction where the Assets are located;
- (b) except for the Court Approval, it has taken all action and has full power and absolute authority to enter into this Agreement and the other documents and agreements executed and delivered hereunder and it has taken all necessary action to consummate the Transaction and to perform its obligations hereunder and the other documents and agreements executed and delivered hereunder;
- (c) it has not incurred any obligation or liability, contingent or otherwise, for broker's or finder's fees in respect of the Transaction for which the Vendor or the Debtor shall have any obligations or liability;
- (d) it has not received notice of any Claims in existence, contemplated, pending or threatened against it seeking to prevent the consummation of the Transaction;
- (e) provided the Court Approval is obtained, this Agreement has been, and all documents and agreements to be executed and delivered by it at Closing pursuant to this Agreement shall be, duly executed and delivered by it, and upon execution by the Vendor and it, this Agreement constitutes, and all documents and agreements required to be executed and delivered by it at Closing will constitute

legal, valid and binding obligations of it enforceable against it in accordance with their respective terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally and the discretionary nature of equitable remedies and defences;

- (f) to its knowledge, and provided that Court Approval is obtained, no authorization or approval or other action by, and no notice to or filing with, any Government Authority exercising jurisdiction over the Assets is required by it or on its behalf for the due execution and delivery of this Agreement;
- (g) provided the Court Approval is obtained, the consummation of the Transaction will not constitute or result in a material violation, breach or default by it under any provision of any agreement or instrument to which it is a party or by which it is bound or any judgment, law, decree, order or ruling applicable to it;
- (h) it does not have a "Licensee Liability Rating" or "LLR" in respect of its assets and interest located in the Province of Alberta, as determined under or pursuant to any Government Authority rules, regulations, guidelines, directives, bulletins, interim directives and policies that is less than 1.0 and will not have such an "LLR" that is less than 2.0 following Closing and the transfer of the Assets as contemplated in this Agreement and, the Purchaser has provided sufficient evidence to any Government Authority, as applicable, demonstrating that the Purchaser will be able to meet its obligations in relation to the Assets; and the Purchaser is not aware of any fact or circumstance that would prevent or delay the transfer of any licenses or permits relating to or forming part of the Assets as contemplated in this Agreement;
- (i) it has sufficient funds available to it to enable it to pay in full the Purchase Price to the Vendor as herein provided and otherwise to fully perform its obligations under this Agreement;
- (j) to the Purchaser's knowledge, having made due enquiry, no Insider of the Purchaser is also an Insider of the Vendor or the Debtor; and
- (k) the Purchaser is not a non-resident of Canada for the purposes of the *Investment Canada Act* (Canada).

10.4 Enforcement of Representations and Warranties

- (a) Notwithstanding anything to the contrary herein expressed or implied and notwithstanding the Closing or deliveries of covenants and/or representations and warranties in any other agreements at Closing or prior or subsequent thereto, the representations and warranties set forth in Article 10 and all certificates, documents and agreements delivered pursuant to this Agreement shall survive Closing, provided that no Claim in respect of such representations and warranties shall be made or be enforceable unless written notice of such Claim, if provided by the Vendor to the Purchaser, is given within twelve (12) months of the Closing Date, and if provided by the Purchaser to the Vendor, is given within twelve (12) months of the Closing Date or before the Receiver is discharged by order of the Court, whichever is earlier. In respect of the Purchaser, effective on the expiry of such twelve (12) month period, the Vendor hereby releases and forever discharges

the Purchaser from any breach of any representations and warranties set forth in Article 10 hereof and all certificates, documents and agreements delivered pursuant to this Agreement, except in respect of those Claims in which notice has been given in accordance with this Section 10.4. In respect of the Vendor, effective on the expiry of such twelve (12) month period, or shorter period should the Receiver be discharged by order of the Court, the Purchaser hereby releases and forever discharges the Vendor from any breach of any representations and warranties set forth in Article 10 hereof and all certificates, documents and agreements delivered pursuant to this Agreement, except in respect of those Claims in which notice has been given in accordance with this Section 10.4. No Claim shall be made against a Party in respect of the representations and warranties in this Agreement made by the other Party except pursuant to and in accordance with this Section 10.4;

- (b) There shall not be any merger of any covenant, representation or warranty in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived; and
- (c) The representations and warranties of the Vendor and the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Purchaser or the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.

ARTICLE 11 CLOSING DELIVERIES

11.1 Vendor Closing Deliveries

At Closing, the Vendor shall table the following:

- (a) a certified copy of the Court Approval;
- (b) a copy of the Interim Statement of Adjustments;
- (c) a receipt for the Closing Payment duly executed by the Vendor;
- (d) the General Conveyance, fully executed by the Vendor; and
- (e) the Conveyance Documents, to the extent delivered by the Purchaser on or by the Closing Date in accordance with Section 12.1(a), fully executed by the Vendor.

11.2 Purchaser's Closing Deliveries

At Closing, Purchaser shall table the following:

- (a) the Closing Payment;
- (b) a duly executed certificate of a senior officer of Purchaser substantially in the form attached hereto as Schedule "C" dated as of the Closing Date;

- (c) the General Conveyance, fully executed by Purchaser; and
- (d) the Conveyance Documents, to the extent prepared on or by the Closing Date in accordance with Section 12.1(a), fully executed by the Purchaser.

11.3 Deliveries

Vendor shall deliver or cause to be delivered to Purchaser within a reasonable period of time, but in any event, no later than 30 days following Closing, the original copies of the Title and Operating Documents and any other agreements and documents in its possession related to the Assets and the original copies of contracts, agreements, records, books, documents, licenses, reports and data included in the Miscellaneous Interests which are now in the possession of Vendor. Notwithstanding the foregoing, if and to the extent such contracts, agreements, records, books, documents, licenses, reports and data also pertain to a greater degree to interests other than the Assets, at Vendor's expense, photocopies or other copies may be provided to Purchaser in lieu of original copies.

ARTICLE 12 CONVEYANCES AND TRANSFER

12.1 Conveyances

- (a) The Purchaser shall provide at the Closing Date those Conveyance Documents required to acquire the Debtor's interest in any Assets purchased herein, but no such documents shall require the Vendor to assume or incur any obligation, or to provide any representation or warranty, beyond that contained in this Agreement. The Vendor shall not be required to have such documents signed by Third Parties at or before the Closing Date but shall cooperate with the Purchaser as reasonably required to secure execution of such documents by such Third Parties as soon as practicable thereafter. The Vendor shall execute and promptly return to the Purchaser at least one copy of each such document and the Purchaser shall use all reasonable efforts to obtain timely execution and return of such documents by Third Parties wherever required. The Parties agree that certain assignments may be in the form of electronic transfers including Alberta Energy Regulator well license transfers and agree that reasonable efforts shall be made to ensure such assignments will be completed on the Closing Date.
- (b) The Purchaser shall promptly register in the applicable registry all registrable transfers and conveyances of its interests in the Assets and the Vendor shall make application to all applicable Government Authorities to change the recorded name of all Wells and Tangibles forming part of the Assets. All costs, fees and deposits of every nature and kind incurred in distributing and registering any Conveyance Document and in providing any assurances or security required to convey, transfer and assign the Assets to Purchaser, and to have Purchaser recognized as the holder thereof shall be borne by the Purchaser. In the event that Vendor has incurred any Third Party or out of pocket expenses or fees as a result of the cost of distribution and registration of any Conveyances, or in any way related to the conveyance, assignment or transfer of the Assets to Purchaser, such amounts shall be adjusted between the Parties in the Final Statement of Adjustments.

12.2 License and Authorization Transfers

- (a) On or before the Closing Date, the Purchaser shall communicate with the relevant Government Authority to determine all conditions and deposits which the relevant Government Authority will require in order for the relevant Government Authority to approve the transfer by the Vendor to the Purchaser of any and all licenses and authorizations for the Wells and any Tangibles licensed to the Vendor, and shall advise the Vendor in writing of such conditions and required deposits. In such case, on or before Closing, the Purchaser shall satisfy the deposit requirements of the relevant Government Authority in order to approve any of those license and authorization transfers to the Purchaser. The Purchaser further covenants to comply with all conditions imposed by the relevant Government Authority in respect of such transfers;
- (b) Within five (5) Business Days following Closing, the Vendor shall prepare and electronically submit an application to the relevant Government Authority for the transfer of any Wells and any Tangibles held in the name of the Debtor and the Purchaser shall promptly execute and return such applications to such Vendor for registration in accordance with Section 12.1(b);
- (c) Should the relevant Government Authority deny any license transfer because of misdescription or other minor deficiencies in the application, the Vendor shall, within two (2) Business Days, correct the application and amend and re-submit an application for the license transfers and the Purchaser shall electronically ratify and sign such application; and
- (d) After Closing, whether or not the Purchaser requested prior determination of the relevant Government Authority transfer conditions under Section 12.2, if for any reason the relevant Government Authority requires the Purchaser to make a deposit in order to approve the license or authorization transfer, the Purchaser shall and covenants to immediately make such deposit.

ARTICLE 13 LIABILITIES AND INDEMNITIES

13.1 General Indemnity

If Closing occurs the Purchaser shall, without any further necessary action on the part of the Vendor or the Purchaser:

- (a) assume, perform, pay, discharge and be liable to the Vendor for; and
- (b) as a separate covenant, save and hold harmless and indemnify the Vendor and each other Vendor Entity from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by any of them to the extent arising or accruing on or after the Effective Time and which relate to the Assets or the terms and conditions of the Title and Operating Documents, including but not limited to all Losses and Liabilities attributable to the operation, ownership, use, construction or maintenance of the Assets arising or accruing on or after the Effective Time. The Purchaser's indemnity obligation set forth in this Section 13.1 shall survive the Closing Date indefinitely.

13.2 Environmental Indemnity

- (a) The Purchaser acknowledges that it:
- (i) is familiar with the condition of the Assets, including the past and present use of the Assets, and it has been provided with the right and the opportunity to conduct due diligence investigations with respect to existing or potential Environmental Liabilities pertaining to the Assets; and
 - (ii) is not relying upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Assets except as outlined in Section 10.1.
- (b) The Purchaser agrees that once Closing has occurred the Vendor shall have no liability whatsoever for any Environmental Liabilities. In this regard, once Closing has occurred, the Purchaser shall, without any further necessary action on the part of the Vendor or the Purchaser:
- (i) be solely liable and responsible for all of the Vendor's Losses and Liabilities; and
 - (ii) as a separate covenant, indemnify, save and hold the Vendor, the Debtor and each other Vendor Entity, harmless from and against all Losses and Liabilities that may be brought against or which they or any one of them may suffer, sustain, pay or incur;

as a result of any act, omission, matter or thing related to any Environmental Liabilities arising, however and whenever arising or occurring, and the Purchaser shall assume, perform, pay and discharge all Environmental Liabilities. This liability and indemnity shall apply without limit and without regard to cause or causes, including the negligence, whether sole, concurrent, gross, active, passive, primary or secondary, or the wilful or wanton misconduct of the Vendor or the Purchaser or any other person or otherwise. The Purchaser acknowledges and agrees that it shall not be entitled to any rights or remedies as against the Vendor, Debtor or any Vendor Entity under the common law or statute pertaining to any Environmental Liabilities, including the right to name the Vendor, Debtor or any Vendor Entity as a 'third party' to any action commenced by any Person against the Purchaser. The Purchaser's indemnity obligation set forth in this Section 13.2(b) shall survive the Closing Date indefinitely.

13.3 No Merger

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

13.4 Holding of Indemnities

The Vendor will hold the indemnities contained in Sections 13.1 and 13.2 in trust on behalf of all of the other Vendor Entities and may enforce the same on their behalf.

ARTICLE 14 TERMINATION

14.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing;

- (a) by mutual written agreement of the Vendor and the Purchaser;
- (b) by either the Vendor or the Purchaser pursuant to the provisions of Articles 9.1 or 9.2, as applicable; or
- (c) in accordance with Section 3.3(c).

14.2 Effect of Termination

If this Agreement is terminated by the Vendor or the Purchaser as permitted under Section 14.1, then Article 15 and Section 20.2 shall remain in full force and effect following any such permitted termination, and the remedies available to the Parties in respect of such termination shall be governed by Section 3.3, if applicable.

ARTICLE 15 CONFIDENTIALITY, PUBLIC ANNOUNCEMENTS AND SIGNS

15.1 Confidentiality

Each Party agrees to keep in strict confidence:

- (a) subject to Section 15.2, all information regarding the terms of this Agreement; and
- (b) any information exchanged or received in connection with:
 - (i) the performance of due diligence by the Purchaser prior to or after the date hereof (including due diligence conducted under or in connection with this Agreement); or
 - (ii) negotiation or drafting of this Agreement;

provided that, except as otherwise agreed by the Parties, a Party shall be entitled to disclose all information as may be required or desirable in connection with obtaining the Court Approval. The Parties agree that this Agreement shall be filed with the Court on a confidential basis such that the Deposit, Purchase Price, Purchase Price allocation and such other sensitive terms as the Parties may agree shall be sealed, kept confidential and not form part of the public record, and that the Receiver shall seek a sealing order to that effect in respect of this Agreement. If this Agreement is terminated, each Party upon request will promptly return to the other Party all documents, contracts, records or other information received by it that disclose or embody confidential information of the other Party.

15.2 Public Announcements

- (a) If a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction post-Closing, the disclosing Party

shall provide the other Party with an advance copy of any such press release or other public disclosure with sufficient time to enable the other Party to review such press release or other public disclosure and provide its written consent to such press release or other public disclosure, not to be unreasonably withheld.

- (b) Notwithstanding Section 15.1 or 15.2(a), a Party may release or provide information about the Transaction insofar as is required by Applicable Laws (including as may be required to obtain Court Approval) or stock exchange requirements applicable to the disclosing Party; provided that such disclosing Party shall make reasonable commercial efforts to provide the other Party with the details of the nature and substance of such required disclosure as soon as practicable and in any event prior to such disclosure. A Party may provide information about the Transaction to a bank or other financial institution to obtain financing on any required consent of the bank or other financial lender of such Party. A Party may also disclose such information pertaining to this Agreement, including the identity of the Parties, insofar as is required to enable such Party to fulfil its obligations under this Agreement, including obtaining any approvals or consents to the Transaction required from Government Authorities (including Court Approval) or Third Parties.

15.3 Signs

Within one hundred and eighty (180) days following the Closing Date, the Purchaser shall remove the names of the Vendor, the Debtor and predecessors from all signs located at or near the Wells or any Tangibles. If the Purchaser fails to comply with the foregoing, the Vendor shall have the right, at its discretion, to remove its name as aforesaid and the Purchaser shall be responsible for and shall reimburse such Vendor for all reasonable costs incurred by such Vendor in so doing.

ARTICLE 16 GOVERNING LAW AND DISPUTE RESOLUTION

16.1 Governing Law

This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta and to the laws of Canada applicable therein.

16.2 Resolution of Disputes

- (a) Subject to Section 4.2(c), each Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Court, and waives any defences it might have regarding jurisdiction in any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party, or for recognition or enforcement of any judgment in respect thereof, and each Party hereto hereby irrevocably and unconditionally agrees that all Claims in respect of any such action or proceeding may be heard and determined by the Court.
- (b) Subject to Section 4.2(c), each Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any action or proceeding

arising out of or relating to this Agreement or any ancillary agreement to which it is a Party in any court of competent jurisdiction in the Province of Alberta. Each of the Parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

ARTICLE 17 NOTICES

17.1 Service of Notices

The addresses for service of the Parties shall be as follows:

the Purchaser: Newgrange Energy Inc.
3600, 700 – 2nd Street SW
Calgary, Alberta T2P 2W3

Attention: Mr. Terry McCallum, President
Email: terry@newgrangecapital.com

with a copy to Attention Mr. Andy Prefontaine
Email: andyprefontaine@shaw.ca

the Vendor: PRICEWATERHOUSECOOPERS INC. LIT, in its capacity as court-
appointed receiver and manager of the assets, properties and
undertakings of Questfire Energy Corp., and not in its personal
capacity
Suite 3100, 111 - 5th Avenue SW
Calgary AB T2P 5L3

Attention: Jonathan P. Reimche
Email: jonathan.p.reimche@pwc.com
Fax: (403) 781-1825

with a copy to: Kelly J. Bourassa / James Reid
Legal counsel to the Receiver
Blake, Cassels & Graydon LLP
Suite 3500, 855 – 2nd Street SW
Calgary, AB T2P 4J8

Email: kelly.bourassa@blakes.com / james.reid@blakes.com
Fax: 403-260-9700

Any of the Parties may from time to time change its address for service herein by giving written notice to the other. Any notice may be served by personal service upon the above person specified by a Party, or if no person is specified, upon any officer of a Party, by mailing the same by prepaid post in a properly addressed envelope addressed to the Party at its respective address for service hereunder, or by email to such Party at the email address specified hereunder. Any

notice personally served upon an office or the person specified by a Party, as the case may be, shall be deemed to be given on the date of such service, any notice served by mail shall be deemed to be given to and received by the addressee on the fourth Business Day, after the mailing thereof and any notice given by email shall be deemed to be given and received on the day when it is sent, if it is sent during normal business hours (8:00 a.m. to 4:00 p.m.) and, otherwise, on the next following normal Business Day. No notices shall be served by mail during times of interruption or threat of interruption of mail service due to strikes, lockout or other causes.

ARTICLE 18 PERSONAL INFORMATION

18.1 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained by the Purchaser in connection with the Transaction only for those purposes for which it was initially collected from or in respect of the individual to which such information relates or as otherwise permitted or authorized by Applicable Law. The Purchaser's obligations set forth in this Section 18.1 shall survive the Closing Date indefinitely.

ARTICLE 19 ASSIGNMENT

19.1 Assignment

- (a) Neither Party may assign their interest in or under this Agreement or to the Assets prior to Closing without the prior written consent of the other Party, which consent may be withheld in such other Party's sole and unfettered discretion.
- (b) No assignment, transfer, or other disposition of this Agreement or the Assets or any portion of the Assets shall relieve the Purchaser from its obligations to the Vendor herein. The Vendor shall have the option to claim performance or payment of the obligations from the Purchaser or the assignee or transferee, and to bring proceedings in the event of default against either or all of them, provided that nothing herein shall entitle the Vendor to receive duplicate performance or payment of the same obligation.

ARTICLE 20 MISCELLANEOUS

20.1 Remedies Cumulative

No failure on the part of any Party to exercise any right or remedy will operate as a waiver thereof. A Party will not be precluded from exercising any right available to it at law, equity or by statute because of its exercise of any single or partial right, and a Party may exercise any such remedies independently or in combination.

20.2 Costs

Except as otherwise specified in this Agreement, each Party shall pay its respective costs incurred in connection with the preparation, negotiation and execution of this Agreement and the consummation of the Transaction.

20.3 No Waiver

No waiver by any Party of any breach of any of the terms, conditions, representations or warranties in this Agreement shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

20.4 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and the Parties agree and confirm that this Agreement cancels and supersedes any prior understandings and agreements between the Parties hereto with respect to the subject matter hereof. No modification of or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the Parties.

20.5 Further Assurances

From time to time, as and when reasonably requested by the other Party, a Party shall execute and deliver or cause to be executed and delivered all such documents and instruments and shall take or cause to be taken all such further or other actions to implement or give effect to the Transaction, provided such documents, instruments or actions are consistent with the provisions of this Agreement. All such further documents, instruments or actions shall be delivered or taken at no additional consideration other than reimbursement of any expenses reasonably incurred by the Party providing such further documents or instruments or performing such further acts, by the Party at whose request such documents or instruments were delivered or acts performed.

20.6 Time of the Essence

Time shall be of the essence in this Agreement.

20.7 Enurement

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective heirs, executors, successors and permitted assigns.

20.8 Severability

In the 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.

20.9 Counterpart Execution

This Agreement may be executed in counterpart and all executed counterparts together shall constitute one agreement. This Agreement shall not be binding upon any Party unless and until executed by all Parties.

20.10 Electronic Execution

Delivery of an executed signature page to this Agreement by any Party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by any Party.

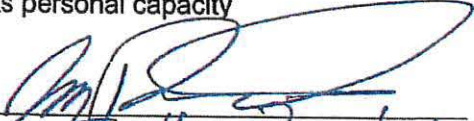
[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written

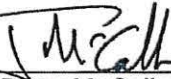
QUESTFIRE ENERGY CORP. by and through its court-appointed receiver and manager **PRICEWATERHOUSECOOPERS INC., LIT**, solely in its capacity as court-appointed receiver and manager of the assets, properties and undertaking of Questfire Energy Corp., and not in its personal capacity

NEWGRANGE ENERGY INC., a body corporate in the city of Calgary in the province of Alberta

Per:


Name: *Jonathan Reimche LIT*
Title: *Senior Vice President*

Per:


Name: Terry McCallum
Title: President

This is the execution page to the Asset Purchase Agreement dated effective April 1, 2018 between Questfire Energy Corp., by and through its court-appointed receiver and manager PricewaterhouseCoopers Inc., LIT, solely in its capacity as court-appointed receiver and manager of the assets, properties and undertakings of Questfire Energy Corp., and not in its personal capacity, and Newgrange Energy Inc.

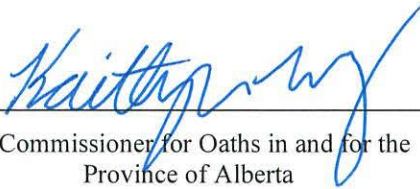
SCHEDULE "A"

Attached to and made a part of that Asset Purchase Agreement effective April 1, 2018.

Part 1 - Lands, Leases and Permits

| Crown Agreement Number | Lands | WI Owner | Rights | Ownership | ROFR |
|-------------------------------|-----------------|-----------------|--|------------------|-------------|
| 22254 | 22-51-27 W4M | Questfire | All PNG from Surface to Top Leduc | 100% | No |
| 22254 | 23-51-27 W4M | Questfire | All PNG from Surface to Top Leduc | 100% | No |
| 22254 | 26-51-27 W4M | Questfire | All PNG from Surface to Top Leduc | 100% | No |
| 22254 | 27-51-27 W4M | Questfire | All PNG from Surface to Top Leduc | 100% | No |
| 39143 | NW 35-51-27 W4M | Questfire | All PNG from Surface to Base Mannville (excluding PNG in Basal Quartz) | 5% | Yes |

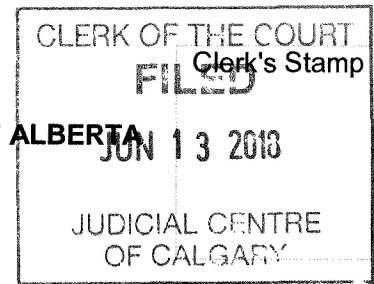
This is Exhibit "G"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

COURT FILE NUMBER 1701-15267
 COURT COURT OF QUEEN'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY
 PLAINTIFF ATB FINANCIAL
 DEFENDANT QUESTFIRE ENERGY CORP.
 DOCUMENT APPROVAL AND VESTING ORDER
 ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT BLAKE, CASSELS & GRAYDON LLP
 3500, 855 – 2nd Street S.W.
 Calgary, AB T2P 4J8



Attn: Kelly Bourassa / James Reid
 Telephone: 403-260-9697 / 403-260-9731
 Facsimile: 403-260-9700
 Email: kelly.bourassa@blakes.com
james.reid@blakes.com
 File: 6386/436

I hereby certify this to be a true copy of the original Approving Order dated this 13 day of Jun 20 18
[Signature]
 for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: June 13, 2018
 LOCATION WHERE ORDER WAS PRONOUNCED: Calgary Courts Centre
 NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice K.M. Eidsvik

UPON THE APPLICATION by PricewaterhouseCoopers Inc. LIT, in its capacity as Court-appointed receiver and manager (the "**Receiver**") of the undertaking, property and assets of Questfire Energy Corp. ("**Questfire**") for an order, among other things: (i) approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement (the "**Purchase Agreement**") effective as of April 1, 2018 by and between Questfire, by and through the Receiver, as vendor, and Newgrange Energy Inc., as purchaser (the "**Purchaser**"), and appended as Appendix D to the second report of the Receiver dated June 4, 2018 (the "**Second Report**"); and (ii) vesting in the Purchaser (or its nominee) all of Questfire's right, title, interest and estate, whether absolute or contingent, legal or beneficial in and to the assets described in the Purchase Agreement (the "**Purchased Assets**"), free and clear of all encumbrances other than the Permitted Encumbrances (as defined below);

AND UPON HAVING READ the Receivership Order of the Honourable Mr. Justice C.M. Jones dated November 16, 2017 (the "**Receivership Order**"); the Application, the Second Report, the confidential supplement to the Second Report, and the Affidavit of Service of Lindsay Farr sworn June 7, 2018 (the "**Affidavit of Service**"), filed;

AND UPON HEARING the submissions of counsel for the Receiver, counsel for ATB Financial, as agent for a syndicate of lenders of Questfire, counsel for the Purchaser and any other counsel in attendance at the Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, and no other Person is required to have been served with notice of this Application, and time for service of this Application is abridged to that actually given.

DEFINED TERMS

2. All capitalized terms not defined herein shall have the respective meanings ascribed to them in the Purchase Agreement.

APPROVAL OF TRANSACTION

3. The Purchase Agreement is hereby approved in its entirety. The Transaction is hereby approved and the execution of the Purchase Agreement by the Receiver is hereby authorized, ratified, confirmed and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to complete the Transaction subject to the terms of the Purchase Agreement, to perform its obligations under the Purchase Agreement and any ancillary documents related thereto, and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF THE PURCHASED ASSETS

4. Upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in Schedule "A" hereto (the "**Receiver's Certificate**"), subject only to approval of the transfer of applicable licences, permits, and approvals by the Alberta Energy Regulator ("**AER**") pursuant to legislation administered by the AER, all of Questfire's right, title, interest and estate, whether absolute or contingent, legal or beneficial in and to the Purchased Assets shall vest absolutely, exclusively, entirely and forever in the name of the Purchaser (or its nominee), free and clear of any and all rights, titles, benefits, priorities, claims (including claims provable in bankruptcy in the event that Questfire should be adjudged

bankrupt), liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, caveats, mortgages, pledges, trusts, deemed trusts (whether contractual, statutory, or otherwise), assignments, judgments, executions, writs of seizure or execution, notices of sale, options, agreements, rights of distress, legal, equitable or contractual setoff, adverse claims, levies, taxes, disputes, debts, charges, options to purchase, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) all charges, security interests or claims evidenced by registration, filing or publication pursuant to (i) the *Personal Property Security Act*, RSA 2000, c P-7; and (ii) the *Land Titles Act*, RSA 2000, c L-7 (the "**Land Titles Act**"); and
- (c) those Claims listed on Schedule "**B**" hereto (all of which are collectively referred to as the "**Encumbrances**"),

but in each case, excluding the permitted encumbrances listed in Schedule "**C**" hereto (collectively, the "**Permitted Encumbrances**"), and this Court orders that all of the Claims and Encumbrances affecting or relating to the Purchased Assets, other than the Permitted Encumbrances, are hereby expunged and discharged as against the Purchased Assets.

5. The Receiver, to the extent able and necessary, is authorized and directed to take all necessary steps within its power and execute all documents to effect any and all discharges relating to the Claims and Encumbrances (except for Permitted Encumbrances) and the registrars and all other Persons in control or otherwise supervising such offices of the registration or recording shall forthwith remove and discharge all such registrations.
6. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in a trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been

sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. The Purchaser (or its nominee) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against Questfire, other than the Permitted Encumbrances.
8. Subject only to approval of the transfer of applicable licences, permits, and approvals by the AER pursuant to legislation administered by same, no further authorization or approval or any other action by any authority or regulatory body exercising jurisdiction over the Purchased Assets shall be required for the closing and post-Closing implementation of the Transaction contemplated in the Purchase Agreement.
9. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by any Person claiming by or through or against Questfire.
10. Questfire and all Persons who claim by, through or under Questfire in respect of the Purchased Assets, save and except for the Persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped, and foreclosed from and permanently enjoined from pursuing, asserting, or claiming any and all estate, right, title, interest, royalty, rental, equity of redemption, or Encumbrance in respect of or to the Purchased Assets and, to the extent that any such Persons remain in possession or control of any of the Purchased Assets, or any artifacts or any certificates, instruments or other indicia of title representing or evidencing any right, title, estate or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
11. Immediately after the Closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or Questfire.
12. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser (or its nominee).
13. Notwithstanding:
 - (a) the pendency of these proceedings;

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act (Canada)* (the "**BIA**") in respect of Questfire and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of Questfire; or
- (d) the provisions of any federal or provincial legislation,

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

CANCELLATION OF PERSONAL PROPERTY SECURITY REGISTRATIONS

14. Upon (i) receipt of the Receiver's Certificate and any applicable registration fees by the Registrar of the Personal Property Registry (Alberta) (the "**PPR Registrar**") and (ii) the filing of a certified copy of this Order with such PPR Registrar, the PPR Registrar is hereby authorized and directed to cancel and discharge those Encumbrances listed in Schedule "**B**" hereto, if any, registered against the estate or interest of Questfire in and to the Purchased Assets.

REAL PROPERTY AND MINERAL RIGHTS IN ALBERTA

15. Upon (i) receipt of the Receiver's Certificate and any applicable registration fees by the applicable Alberta Governmental Authority (as defined below); and (ii) the filing of a certified copy of this Order with such Alberta Governmental Authority:
- (a) notwithstanding Section 191(1) of the *Land Titles Act*, the Registrar of Land Titles of Alberta (the "**Alberta Land Registrar**") is hereby authorized, requested, and directed to, where required:
 - (i) cancel the existing Certificates of Title for the Alberta Lands (as defined and set out in Schedule "**B**" hereto);

- (ii) enter the Purchaser (or its nominee) as the owner and/or lessee of the mines and minerals comprising the Purchased Assets (the "**Alberta Real or Mineral Property**");
 - (iii) delete and expunge from title to the Alberta Real or Mineral Property all of the Encumbrances listed in Schedule "**B**" hereto;
 - (iv) issue new Certificates of Title for the Alberta Lands in the name of the Purchaser (or its nominee); and
 - (v) register such transfers, discharges, discharge statements or conveyances, as may be required to convey clear title to the Alberta Lands to the Purchaser (or its nominee), which Certificates of Title shall be subject only to the Permitted Encumbrances; and
- (b) the Department of Energy and the Minister of Energy (the "**Alberta Department and Minister of Energy**" and together with the Alberta Land Registrar and the Alberta PPR Registrar, the "**Alberta Governmental Authorities**" and each an "**Alberta Governmental Authority**") are hereby authorized, requested, and directed to:
- (i) enter the Purchaser (or its nominee) as the owner and/or lessee of the mines and minerals comprising the Alberta Real or Mineral Property subject only to the Permitted Encumbrances; and
 - (ii) delete and expunge from title to the Alberta Real or Mineral Property all of the Encumbrances listed in Schedule "**B**" hereto,

in each case, in order to convey clear title to such mines and minerals comprising the Alberta Real or Mineral Property to the Purchaser (or its nominee) subject only to Permitted Encumbrances. For further certainty, the Alberta Department and Minister of Energy shall not cancel or discharge the registration of any builders' liens or security notices registered against estates or interests other than the estate or interest of Questfire.

16. The Alberta Land Registrar is hereby directed in accordance with section 162 of the *Land Titles Act* to accept all of the Affidavits of Corporate Signing Authority submitted by the Receiver, in its capacity as receiver and manager of Questfire and not in its personal capacity, substantially in the form attached hereto as Schedule "**D**", and to immediately

register the transfers, assignments and conveyances contemplated by the Purchase Agreement immediately forthwith.

MISCELLANEOUS MATTERS

17. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
18. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
19. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
20. Service of this Order on any party not attending this application is hereby dispensed with.

"K.M. Eidsvik"

J.C.Q.B.A.

Schedule "A"
Form of Receiver's Certificate

| | |
|---|---|
| COURT FILE NUMBER | 1701-15267 |
| COURT | COURT OF QUEEN'S BENCH OF ALBERTA |
| JUDICIAL CENTRE | CALGARY |
| PLAINTIFF | ATB FINANCIAL |
| DEFENDANT | QUESTFIRE ENERGY CORP. |
| DOCUMENT | RECEIVER'S CERTIFICATE |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | BLAKE, CASSELS & GRAYDON LLP 3500, 855 – 2 nd Street S.W. Calgary, AB T2P 4J8 |



Attn: Kelly Bourassa / James Reid
Telephone: 403-260-9697 / 403-260-9731
Facsimile: 403-260-9700
Email: kelly.bourassa@blakes.com
james.reid@blakes.com
File: 6386/436

RECITALS

- A. Pursuant to an Order of the Honourable Mr. Justice C.M. Jones of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated November 16, 2017, PricewaterhouseCoopers Inc., LIT was appointed as the receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Questfire Energy Corp. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated June 13, 2018 (the "**Approval and Vesting Order**"), the Court approved the agreement of purchase and sale effective as of April 1, 2018 (the "**Purchase Agreement**") between the Receiver and Newgrange Energy Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Approval and Vesting Order), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 9 of the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Purchase Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Purchase Agreement;
2. The conditions to Closing as set out in Article 9 of the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at Calgary, Alberta on [●], 2018 at [TIME].

PRICEWATERHOUSECOOPERS INC. LIT, In its capacity as Court-appointed receiver and manager of all of the assets undertaking and properties of **QUESTFIRE ENERGY CORP.** and not in its personal or corporate capacity

Per: _____

Name:

Title:

**Schedule "B"
Encumbrances**

Alberta Personal Property Registry Encumbrances

Nil.

Alberta Real or Mineral Property Encumbrances

Nil.

Certificates of Title to Cancel

Nil.

Caveats

Nil.

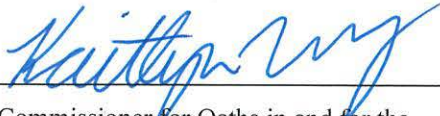
Schedule "C"
Permitted Encumbrances

"Permitted Encumbrances" means any of the following:

- (a) easements, rights of way, servitudes, permits, licenses and other similar rights in land, 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 cable;
- (b) the right reserved to or vested in any Government Authority by the terms of any Title and Operating Document, lease, license, franchise, grant or permit or by any Applicable Law, to terminate any such Title and Operating Document, lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (c) the right reserved to or vested in any Government Authority to levy taxes on Petroleum Substances or the income or revenue attributable thereto and governmental requirements and limitations of general application;
- (d) rights reserved to or vested in any Government Authority to control or regulate any of the Assets in any manner;
- (e) liens granted in the ordinary course of business to a public utility or Government Authority in connection with operations on or in respect of the Lands;
- (f) the express or implied reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interests therein and statutory exceptions to title;
- (g) all royalty burdens, liens, adverse claims, penalties, conversions and other Encumbrances identified in the Land Schedule;
- (h) the terms and conditions of the Leases and the Title and Operating Documents; and
- (i) any other circumstance, matter or thing disclosed in any Schedule hereto.

Additionally, the following items must be identified in a Schedule to qualify as a Permitted Encumbrance: (A) any overriding royalty, net profits or other similar encumbrance applicable to the Petroleum and Natural Gas Rights for which Purchaser will assume the obligation for payment; (B) any existing potential alteration of the Debtor's interests in the Assets because of a payout conversion or farm-in, farm-out or other similar agreement; and (C) any security interest which would not be a Permitted Encumbrance under the preceding paragraphs of this definition.

This is Exhibit "H"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

ROYALTY AGREEMENT

Dated this 29th day of June, 2018.

BETWEEN:

NEWGRANGE ENERGY INC., a body corporate, having an office at the City of Calgary, in the Province of Alberta; (hereinafter sometimes referred to as "Royalty Payor")

PURAVIDA EXPLORATION INC., a body corporate, having an office at the City of Calgary, in the Province of Alberta; (hereinafter sometimes referred to as the "Royalty Owner")

WHEREAS the parties hereto have heretofore agreed that the Royalty Owner shall have a gross overriding royalty interest in all Petroleum Substances produced, saved and marketed from the Royalty Lands, more particularly hereinafter provided;

NOW THEREFORE THIS ROYALTY AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereinafter set forth, the parties agree as follows:

1. DEFINITIONS;

In this Royalty Agreement including the recitals and this clause, unless the context otherwise requires, the following terms shall have the meanings hereinafter assigned thereto:

- (a) "Affiliate" shall have the meaning ascribed thereto in the *Business Corporations Act* (Alberta), as amended from time to time.
- (b) "Acquisition Date" shall mean the date or dates as set forth in Schedule "A" and shall also mean the date that the Royalty Payor acquired its interest in the Royalty Lands and shall also mean the date which triggers the effective date of the Area of Mutual Interest with respect to the particular Royalty Lands.
- (c) "Area of Mutual Interest" shall mean any lands outlined in Schedule "B" and shall be subject to all provisions in Clause 16 of this agreement.
- (d) "Condensate" shall mean a mixture mainly of pentanes and heavier hydrocarbons that may be containing Sulphur, or other associated compounds, that is recovered or is recoverable at the well from an underground reservoir and that may be gaseous in its virgin reservoir state but is liquid at the conditions under which its volume is measured or estimated.
- (e) "Crude Oil" shall mean a mixture mainly of pentanes and heavier hydrocarbons (whether or not containing Sulphur, or other associated compounds) that is recovered or is recoverable at the well from an underground reservoir and that is liquid at the conditions under which its volume is measured or estimated and shall include crude naphtha that is so recovered.

- (f) "Facility Fees" shall mean as applicable:
- (i) For Facility Usage of facility capacity owned by third parties (other than Affiliates of the Royalty Payor), all costs and expenses paid by the Royalty Payor for that facility usage; or
 - (ii) For Facility Usage of facility capacity owned by the Royalty Payor (or an Affiliate of the Royalty Payor), an expense equal to a fee (comprised of both operating and return on capital components) in accordance with either:
 - A. The fee ordinarily chargeable for the same use as the Facility Usage, if that facility is made available for use to third parties; or
 - B. In all other circumstances, a fee sufficient to cover that use of facilities, where the capital recovery component of that fee uses as a guideline the *PN A Jumping Pound-95* methodology and the operating cost component is calculated and assessed on the basis of facility throughput costs.
- (g) "Facility Usage" shall mean the Royalty Payor's use of facilities beyond those included in equipping costs to make merchantable and to deliver to market Petroleum Substances produced from Royalty Lands, including as applicable, the gathering, compression, treatment, processing and transportation, but excluding any basis adjustments made in the determination of the Market Price of Natural Gas.
- (h) "Leases" shall mean the title documents relating to the Royalty Lands and their renewals, variations or replacements of the title documents, including without limitation the lease(s) described in the attached Schedule "A"
- (i) "Market Price" shall mean the price at which Petroleum Substances are sold by the Royalty Payor pursuant to clause 3(a), which price shall not be unreasonable, having regard to market conditions applicable to similar arm's length transactions at the applicable time, including without limitation, such factors as the volumes available, the kind and quality of petroleum substances to be sold, the effective date of the sale, the term of the sale, the point of sale and the type of transportation service available, and for sales of Natural Gas shall be not less than the one month spot index price received by the Royalty Payor in Alberta for the month of production subject to reasonable transportation basis adjustments.
- (j) "Natural Gas" shall mean raw gas or marketable gas as the context so requires, as those terms are defined in the *Oil and Gas Conservation Act* (Alberta), as amended from time to time.
- (k) "Natural Gas Liquids" shall mean propane, butane, pentanes plus, or a combination of them, obtained from the processing of Natural Gas or Condensate.
- (l) "Overriding Royalty" shall mean the percentage of Petroleum Substances produced from the Royalty Lands calculated in accordance with the provisions of this Royalty Agreement payable by the Royalty Payor to the Royalty Owner.
- (m) "Petroleum Substances" shall mean all Crude Oil, Natural Gas, Condensate, Natural Gas Liquids, related hydrocarbons, Sulphur, and every other substance an interest in which is granted under the Leases.

- (n) "Point of Measurement shall mean the first point at which Petroleum Substances are or can be metered, measured or allocated downstream of the wellhead following the basic processing described in clause 2(e)
- (o) "Regulations" shall mean all statutes, laws, rules, orders and regulations in effect from time to time.
- (p) "Royalty Lands" shall mean, to the extent granted by the Leases, the lands set out in the attached Schedule "A" (or that may hereafter be made subject to a gross overriding royalty to Royalty Owner by virtue of Area of Mutual Interest or otherwise) or any portion thereof, in which Royalty Payor has an interest therein.

All derivations of the foregoing shall bear the corresponding meanings.

2. CREATION OF OVERRIDING ROYALTY;

- (a) The Royalty Owner does hereby reserve to itself and the Royalty Payor does hereby agree to Royalty Owner the Overriding Royalty on the Royalty Lands as described in this Royalty Agreement and based upon the working interest of the Royalty Payor as set forth in the attached Schedule "A" or Schedule "A-1". The Overriding Royalty is intended to be an interest in land in the Royalty Lands, and to be a covenant running therewith.
- (b) The Overriding Royalty will be calculated on a well by well basis at the Point of Measurement as follows:
 - (i) For Crude Oil 1.5% of the gross monthly production thereof produced from or allocated to each well on the Royalty Lands, and
 - (ii) For all other Petroleum Substances 1.5% of the gross monthly production thereof produced from or allocated to each well on the Royalty Lands.

The Overriding Royalty shall be payable by Royalty Payor to Royalty Owner in accordance with this Agreement and attached Schedules.
- (c) The Royalty Payor shall deliver the Overriding Royalty to Royalty Owner either:
 - (i) By selling the Overriding Royalty (or a portion thereof) on behalf of Royalty Owner and accounting for the proceeds thereof in accordance with clause 3; or
 - (ii) By taking in kind the Overriding Royalty (or a portion thereof) in accordance with clause 4 (if Royalty Owner so elects).
- (d) Subject to the other provisions of this Royalty Agreement, the Royalty Payor is hereby appointed as the agent of the Royalty Owner for the handling and disposition of the Overriding Royalty. All acts of the Royalty Payor under this Clause in the handling and disposition of those Petroleum substances and the receipt of proceeds of sale therefrom will be as trustee for the Royalty Owner
- (e) Regardless of whether the Overriding Royalty is taken in kind or sold by Royalty Payor on Royalty Owner's behalf, Royalty Payor shall be responsible to ensure the treatment of Crude Oil for the separation, removal and disposal of basic sediment and water, any extraction of liquid hydrocarbons from Natural Gas at the wellhead and any wellsite separation, removal and disposal of basic sediment and water therefrom, and any wellsite dehydration of Natural Gas.
- (f) The Royalty Payor shall not be required to account to Royalty Owner for that portion of the Overriding Royalty that Royalty Payor (or the operator of the Royalty Lands)

reasonably uses or unavoidably loses in drilling and production operations for the Royalty Lands as described in clause 6(d).

3. OVERRIDING ROYALTY NOT TAKEN IN KIND;

- (a) To the extent that the Royalty Payor disposes of the Overriding Royalty on behalf of the Royalty Owner:
 - (i) Except to the extent otherwise agreed by the Royalty Payor and the Royalty Owner, insofar as the Royalty Payor takes possession of the Overriding Royalty as agent of the Royalty Owner, the Royalty Payor will dispose of those Petroleum Substances by:
 - A. Selling those Petroleum Substances at a Market Price and accounting to the Royalty Owner for the proceeds of the sale; or
 - B. Purchasing those Petroleum Substances for the Royalty Payor's own account (or the account of Affiliate) at a Market Price and accounting to the Royalty Owner therefore.
 - (ii) Subject to the maximums set out in clause 3(d), the Royalty Owner shall be responsible, on a well by well basis, for the following costs and expenses incurred after the Point of Measurement with respect to the Overriding Royalty, which the Royalty Payor may deduct from the proceeds payable to Royalty Owner pursuant to clause 5:
 - A. Any associated Facility Fees and any transportation costs to transport those Petroleum Substances from the Point of Measurement to the point of sale; and
 - B. Any costs and expenses the Royalty Payor is required to incur to enrich the heating value or to facilitate transportation or marketing of those Petroleum Substances, with the intention that neither the Royalty Payor or the Royalty Owner suffer a loss as a result of that enrichment. Enrichment operations include, without limitation, condensate blending in the case of heavy oil and enrichment by propane or butane in the case of gas with low heating value.
- (b) The Royalty Owner shall not be responsible for any other costs or expenses related to the Overriding Royalty other than as set out above.
- (c) A cost or expense attributable to more than one Petroleum Substance being sold by the Royalty Payor may only be deducted once.
- (d) The costs and expenses to be borne by the Royalty Owner pursuant to this clause 3 and deducted by Royalty Payor shall exceed neither:
 - (i) Those permitted by the Regulations for the calculation of royalties if the lessor under the relevant Title Documents were the Crown in right of the Province in which the Royalty Lands are located; or
 - (ii) 50% of the Market Price [first adjusted for any deductions relating to enrichment of heating value under clause 3(a)(ii)] from the sale of the Overriding Royalty.
- (e) The deductions set forth in this clause 3 pertain to the costs and expenses that would otherwise be incurred by the Royalty Owner to bring those Petroleum Substances to the

point of sale if the Royalty Owner were taking those Petroleum Substances in kind. The allowable deductions are expressed as cash obligations for convenience of record keeping and audit and are not to be construed as altering the nature of the Overriding Royalty as an interest in land.

4. OVERRIDING ROYALTY TAKEN IN KIND;

- (a) The Royalty Owner may revoke the agency established in clause 2(d) and elect to take delivery and separately dispose of any of the Overriding Royalty at the Point of Measurement effective at the 1st day of the calendar month next following the following minimum periods. In the case of Crude Oil and Condensate, such right shall only be exercised on a minimum of 45 days' notice to the Royalty Payor. In the case of Natural Gas Liquids and Natural Gas Liquids, such right shall only be exercised on six months' notice to the Royalty Payor. If the Royalty Owner, however, signifies in writing its consent to the sale of any of the Royalty Owner's share of Petroleum Substances under a contract entered into by the Royalty Payor providing for a minimum term in excess of the said respective notice periods, the Royalty Owner's right to take in kind any Petroleum Substances subject to such contract shall be suspended during the term of such contract. The Royalty Owner will supply the Royalty Payor with such information regarding the Royalty Owner's arrangements for disposition of those Petroleum Substances as the Royalty Payor may reasonably require to coordinate custody transfer and shipping arrangements for those Petroleum Substances. Failure to provide the Royalty Payor with that information will be deemed to be a failure by the Royalty Owner to take those Petroleum Substances in kind.
- (b) To the extent the Royalty Owner takes in kind its Overriding Royalty, the Royalty Payor will, at the Royalty Payor's cost:
- (1) In respect of Crude Oil or Condensate extracted from Natural Gas at the wellhead:
- A. Remove basic sediment and water from those Petroleum Substances in accordance with good oilfield practice, so that relevant pipeline specifications can be met.
 - B. Provide the Royalty Owner with a proportionate share of the Royalty Payer's tankage and storage facilities to store a maximum of 10 days production of the Royalty Owner's share of Crude Oil and Condensate; and
 - C. Deliver such Petroleum Substances to the Royalty Owner, or the Royalty Owner's nominee, at the Point of Measurement in accordance with usual and customary pipeline and shipping practice free and clear of all charges.
- (2) In respect of Natural Gas and Natural Gas Liquids, deliver them to the Royalty Owner or the Royalty Owner's nominee, at the applicable Point of Measurement for the relevant well.
- (c) Insofar as the Royalty Owner has elected to revoke the agency established by clause 2(d), the Royalty Owner may re-establish that agency upon giving the Royalty Payor the same minimum notice as aforesaid to revoke such agency. This right may be exercised separately for each type of Petroleum Substance.

5. PAYMENT OF ROYALTY;

- (a) If the Royalty Payor receives funds on account of or as the proceeds of sale of the production of Petroleum Substances comprising the Overriding Royalty, the Royalty Payor will receive the Royalty Owner's share of those funds as trustee for the Royalty Owner.
- (b) The Royalty Payor must remit to the Royalty Owner all funds accruing to the Royalty Owner on account of the Overriding Royalty on or before the 25th day of the calendar month next following the calendar month in which the Royalty Payor received those funds. For the timing of receipt of proceeds in this Clause, "received" will be read as "normally received" if the purchaser of those Petroleum Substances fails to pay the Royalty Payor for that production.
- (c) The Royalty Payor, when submitting to the Royalty Owner all monies accruing to the Royalty Owner, shall include a statement showing the quantity and kind of the Petroleum Substances produced, saved and sold from the Royalty Lands in the immediately preceding calendar month, the Market Price, together with a calculation of the Overriding Royalty from such proceeds.
- (d) A copy of the governmental production statement for the month in which the Overriding Royalty is calculated as aforesaid, and in addition, a copy of the Crown royalty statement with respect to the Leases, shall accompany each respective royalty statement to the Royalty Owner. Any information contained in such governmental production statement or Crown royalty statement need not be repeated in the Royalty Payer's statement to the Royalty Owner.

6. OPERATIONS ON THE ROYALTY LANDS;

- (a) The Royalty Payor shall make every reasonable endeavor within its legal authority to market any of the Petroleum Substances produced or capable of being produced from the Royalty Lands ratably with any other similar substances produced from any lands within the same pool in which the Royalty Payor or any Affiliate has an interest and further the Royalty Payor covenants that it will not discriminate against the Petroleum Substances produced or capable of being produced from the Royalty Lands in the production and marketing of the same.
- (b) The Royalty Payor shall have the right to commingle Petroleum Substances produced from the Royalty Lands with Petroleum Substances produced from other lands, if methods acceptable to the Royalty Owner are used to determine the proper measurement of individual well production. Where Regulations require segregated production tests of individual wells at intervals not greater than two months, such tests will be required.
- (c) The Royalty Payor shall pay all rentals, royalties, taxes and charges payable under the provisions of the Leases or with respect to the Royalty Lands and the production therefrom, either directly or by reimbursing the Royalty Owner, and shall keep the Leases in good standing until surrender thereof as herein provided for and shall not allow the Leases to terminate or become subject to forfeiture.
- (d) The Royalty Payor (or the operator of the Royalty Lands) shall not be held liable on account for that portion of the Overriding Royalty that it reasonably uses or unavoidably loses in drilling and production operations for the Royalty Lands including the proportionate use of those Petroleum Substances in batteries, treaters, compressors, separators, satellites and similar equipment serving Royalty Wells, but not including any enhanced recovery operations, reservoir injection or pressure maintenance secondary and heavy oil recovery or

upgrading schemes, or fuel and/or feedstock for any gas plant, refinery, satellite or battery, except to the extent such usage is permitted under the Leases without payment to the issuer thereof.

- (e) Nothing in this Royalty Agreement is to be construed as an expressed or implied covenant by the Royalty Payor to drill wells or in any other way develop the Royalty Lands.

7. WELL INFORMATION;

Royalty Payor shall provide to Royalty Owner the following information in respect of each well drilled on the Royalty Lands in which Royalty Payor has an interest

- (a) Immediate notice of the spud date of the well;
- (b) Daily drilling and geological reports; and
- (c) Copies of logs, tests, seismic and all data acquired throughout the drilling of the well.

8. POOLING AND UNITIZATION;

- (a) The Royalty Payor may pool the Petroleum Substances in a zone underlying all or a portion of the Royalty Lands to the extent required to form a spacing unit in that zone, on the condition that the pooling allocates production therefrom to the applicable Royalty Lands in the proportion that the surface area of the Royalty Lands placed in the spacing unit bears to the total surface area of the spacing unit. The Royalty Payor will promptly give notice to the Royalty Owner of the pooling, the extent to which the Royalty Lands have been pooled and describing the pooled spacing unit.
- (b) If the Royalty Payor proposes to pool, unitize or otherwise combine any portion of the Royalty Lands, other than as provided in the previous Subclause, the Royalty Payor must promptly send notice of that intention to the Royalty Owner. That notice must include the technical justification for that pooling, unitization or combination and the proposed terms thereof, provided that the Royalty Payor will not be required to provide interpretative data to the Royalty Owner. Unless otherwise required by Regulations to form a spacing unit, the Royalty Payor will not enter into that pooling, unitization or combination without the prior written consent of the Royalty Owner, which consent will not be unreasonably delayed or withheld.
- (c) If any portion of the Royalty Lands are pooled, unitized or combined with any other lands pursuant to this Clause, the Overriding Royalty shall be calculated by using the quantity of Petroleum Substances thereby allocated to the affected Royalty Lands rather than the actual production therefrom.

9. RIGHT TO AUDIT;

- (a) The Royalty Owner shall have the right to audit the records of the Royalty Payor, at Royalty Owner's sole expense, insofar as they relate to any matter or items required to determine the accuracy of any statements or payments with respect to the Overriding Royalty. The books, records, vouchers and accounts maintained by the Royalty Payor shall be open to inspection at all reasonable times during business hours, by an officer, agent, employee or other person appointed or authorized by the Royalty Owner, in writing, to examine the same.

- (b) Any claims of discrepancies disclosed by the audit shall be made in writing to the Royalty Payor within two months following the completion of the audit. The Royalty Payor shall respond in writing to any claims of discrepancies within six months of receipt of the claims. To the extent that the parties are unable to resolve any outstanding claims of discrepancies disclosed by the audit, such audit exceptions shall be resolved by mediation, provided that, at any time during or within 30 days of the conclusion or termination of the mediation efforts, any party may elect by notice to the other parties to have such audit exceptions resolved pursuant to the *Arbitration Act* (Alberta), as amended from time to time.
- (c) Any statement rendered by the Royalty Payor to the Royalty Owner with respect to the production, disposition or sale of the Overriding Royalty and the permitted charges applicable thereto made by the Royalty Payor shall be conclusively deemed to be correct 24 months following the end of the calendar year in which the statement was received by the Royalty Owner unless and to the extent that the statement is disputed by the Royalty Owner before the end of that period.

10. SURRENDER;

- (a) If there are multiple working interest owners in any portion of the Royalty Lands and it is proposed to surrender to the grantor of the Leases or otherwise permit to expire all or a portion of the applicable lands, the provisions of any agreement governing the lands shall be complied with. To the extent that all working interest owners agree to the surrender or expiry of those Royalty Lands, or if there is only one Royalty Payor, the Royalty Payor shall give notice thereof ("Surrender Notice") to the Royalty Owner at least 60 days before the next ensuing anniversary date of the lease covering the lands or interest therein which it is proposed to surrender. Within 30 days after receipt of the Surrender Notice, the Royalty Owner may elect in writing to acquire such interest and if it does so the Royalty Payor shall, without warranty, forthwith transfer or assign such interest to the Royalty Owner. The Overriding Royalty shall thereafter cease to be payable with respect to the interest so assigned to the Royalty Owner. If the Royalty Owner fails to make the election as provided for herein, the Royalty Payor may surrender the lands specified in the Surrender Notice.
- (b) Upon the Royalty Owner electing to acquire the interest to be surrendered as set forth herein, the Royalty Owner shall assume all rights and obligations of the Royalty Payor with respect to the interest assigned, including indemnification of the Royalty Payor, which rights, obligations and indemnification accrue from and after the effective date of such assignment. The effective date of such assignment shall be the date upon which Royalty Owner elected to acquire the subject interest as provided herein.

11. ROYALTY OWNER'S LIEN;

- (a) The Royalty Owner shall be entitled to and shall have a first and paramount lien upon the Royalty Payor's share of all Petroleum Substances from and to be produced from the Royalty Lands to secure the payment of the Overriding Royalty. Such lien shall not operate to release the Royalty Payor from personal liability for monies due to the Royalty Owner. Such lien shall not attach to the Royalty Payor's share of Petroleum Substances sold or otherwise disposed of from the Royalty Lands, but immediately upon default occurring in payment by the Royalty Payor of monies payable to the Royalty Owner. Such lien shall operate as an assignment to the Royalty Owner of the proceeds payable to the Royalty Owner and not so paid by the Royalty Payor.

- (b) Service of a copy of this Royalty Agreement upon any purchaser of Petroleum Substances together with written notice from the Royalty Owner shall constitute written authorization on the part of the Royalty Payor for such purchaser to pay the Royalty Owner the proceeds from any sale or sales of the Royalty Payor's share of Petroleum Substances, up to the amount owed to the Royalty Owner by the Royalty Payor, and such purchaser is authorized to rely solely upon the statement of the Royalty Owner as to the amount owed to the Royalty Owner by the Royalty Payor.
- (c) The books and records kept by the Royalty Owner shall constitute written proof of the existence of such default, although no purchaser shall be obliged to examine the same before acting upon such notice of default.

12. INDEMNIFICATION;

- (a) The Royalty Payor shall:
 - (i) Be liable to the Royalty Owner for all losses, cost, damages and expenses whatsoever that the Royalty Owner may suffer, sustain, pay or incur; and in addition,
 - (ii) Indemnify and save harmless the Royalty Owner from and against all actions, suits, claims and demands whatsoever by any person;

In each of (i) and (ii) above, arising out of or resulting from any acts or omissions of the Royalty Payor, its servants, agents, employees or independent contractors in respect of operations carried on by it on the Leases and the Royalty Lands.

- (b) The Royalty Owner shall:
 - (i) Be liable to the Royalty Payor for all losses, costs, damages and expenses whatsoever that the Royalty Payor may suffer, sustain, pay or incur; and in addition,
 - (ii) Indemnify and save harmless the Royalty Payor from and against all actions, suits, claims and demands whatsoever by any person;

In each of (i) and (ii) above, arising out of or resulting from any acts or omissions of the Royalty Owner, its servants, agents, employees or independent contractors in respect of operations carried on by it on the Leases and the Royalty Lands.

13. NOTICES;

- (a) All notices to be given hereunder shall be in writing and may be served:
 - (i) Personally, by leaving them with the party on whom they are to be served at the party's address hereinafter given, provided such delivery shall be during normal business hours. Notices so served shall be deemed received by the addressee when actually delivered; or
 - (ii) By facsimile (or by any other like method by which a written message may be sent) directed to the party on whom they are to be served at the party's address hereinafter given. Notices so served shall be deemed received by the addressee when actually received by it during the normal working hours of a business day or at the commencement of the

next ensuing business day following transmission thereof, or the later; or

- (iii) By mailing them first class (air mail if to or from a location outside of Canada) registered post, postage prepaid, to the party on whom they are to be served. Notices so served shall be deemed to be received by the addressee at noon, local time, on the earlier of the actual date of receipt or the fourth day (excluding local time, on the earlier of the actual date of receipt or the fourth day (excluding Saturdays, Sundays and statutory holidays) following the mailing thereof; and
- (iv) No party shall mail any notice if such party has notice of a strike or imminent strike of the postal service or of conditions, which would reasonably establish that the addressee thereof in the due course of the mail would not receive such notice. In such event, such party's notice shall employ a method of waving such notice otherwise provided in this clause.

- (b) The address of each of the parties shall be:

NEWGRANGE ENERGY INC.
3600, 700 – 2nd Street S.W.
Calgary, Alberta
T2P 2W3
Phone: 403-245-6168
Email: terry@newgrangecapital.com

PURAVIDA EXPLORATION INC.
732 – 19th Ave N.W.
Calgary, Alberta
T2M 0Z1
Phone: 403-541-0117
Email: shaunaddison@shaw.ca

- (c) Any party may change its address by notice served as provided above.

14. ASSIGNMENT;

The assignment of interests and obligations in this Royalty Agreement shall only be effective against the other party if the assignor and the assignee have complied with the terms of the 1993 Canadian Association of Petroleum Landmen Assignment Procedure, which shall be deemed to be included herein by reference. In the absence of an assignment in accordance with the foregoing or Royalty Owner's written consent, the assignor shall remain liable for the payment of the Overriding Royalty notwithstanding that it may no longer have any interest in the Royalty Lands from which such Petroleum Substances are produced, or that it may not be receiving the production or proceeds of production therefrom.

15. MULTIPLE ROYALTY PAYORS;

If the Royalty Payor comprises at any time more than one party:

- (a) The Royalty Payer's obligations and liabilities to the Royalty Owner will be joint and several.
- (b) All rights, duties, obligations, elections and privileges to which Royalty Payor is entitled under this Royalty Agreement shall be shared and may be separately exercised by each party comprising the Royalty Payor in the proportions in which they from time to time own the working interests in the Royalty Lands.
- (b) The Royalty Payors shall designate one of them as their representative under this Clause and shall be bound by the acts and elections of that representative acting in that capacity; and
- (c) The Royalty Owner may deal solely with the Royalty Payor designated by notice as the Royalty Payer's representative from time to time, provided that the Royalty Owner will provide each Royalty Payor with notices the Royalty Owner serves to the Royalty Payor representative.

16. AREA OF MUTUAL INTEREST;

- (a) It is understood and agreed that any lands acquired by the Royalty Payor within the area or areas as outlined on Schedule "B" hereto shall be mutual interest lands ("mutual interest lands") and subject to the provisions of this Clause 16.
- (b) If the Royalty Payor acquires mutual interest lands within the period of time stipulated in Sub clause (c) hereof the Royalty Owner shall be entitled to receive the said royalty on the working interest of the Royalty Payor so acquired and the terms of this Agreement shall be deemed to apply thereto mutatis mutandis and Schedule "A-1" hereof shall be amended accordingly and signed by all parties so as to add the said lands and interest thereto. The Royalty Payor shall fully inform the Royalty Owner of any mutual interest lands so acquired by advising the Royalty Owner within thirty (30) days of such acquisition and shall provide Royalty Payor with a revised Schedule "A-1" for signing and incorporation into this Royalty Agreement.
- (c) This clause 16 shall apply only with respect to an interest acquired in mutual interest lands within two (2) years of the Acquisition Date as set forth in Schedule "A" for each of the Royalty Lands. With respect to the interests acquired thereafter, the Royalty Payor shall have no obligations to the Royalty Owner whatsoever pursuant to this Agreement.
- (d) If the parties hereto so agree, other Royalty Lands may be added to this Royalty Agreement. In the event the Royalty Payor acquires lands and all parties agree that such lands shall become Royalty Lands, Schedule "A" shall be amended and signed by all parties. Such additional Royalty Lands shall create a further area(s) of mutual interest and the parties agree to amend Schedule "B" to incorporate this area of mutual interest. The Royalty Owner shall be entitled to receive the said royalty on the working interest of the Royalty Payor in the additional Royalty Lands so acquired and the terms of this Agreement shall be deemed to apply thereto mutatis mutandis. However, the parties hereto agree that if the amended Schedules "A" and "B" are signed by all parties and incorporated into this Royalty Agreement the parties hereto shall have no additional obligations with respect to this Royalty Agreement.

17. MISCELLANEOUS;

- (a) This Royalty Agreement and the relationship amongst the parties hereto shall be construed and determined according to the laws of the Province of Alberta and each party hereto does attorn to the exclusive jurisdiction of the courts of the Province of Alberta with respect to any matter arising out of this Royalty Agreement.
- (b) The parties hereto shall from time to time and at all times do such further acts and execute and deliver such further deeds and documents as shall be reasonably required in order to fully perform and carry out the terms and intent of this Royalty Agreement.
- (c) The right of any party hereto to acquire any interest in lands subject to this Royalty Agreement shall not extend beyond the period set out in the applicable perpetuities Regulations.
- (d) No waiver by either party hereto of any breach of any of the conditions and provisions herein contained shall be effective or be binding upon the other party unless the same is expressed in writing, and any waiver so expressed shall not limit or affect its right with respect to any other or future breach.
- (e) Time is of the essence of this Royalty Agreement.
- (f) Subject to clause 14, this Royalty Agreement shall endure to the benefit of and be binding upon the parties hereto, their heirs, successors and permitted assigns.
- (g) The headings of the clauses of this Royalty Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Royalty Agreement.

IN WITNESS WHEREOF THE PARTIES have duly executed this Royalty Agreement as of the day and year first above written.

NEWGRANGE ENERGY INC.

PURAVIDA EXPLORATION INC.

Terry McCallum, President

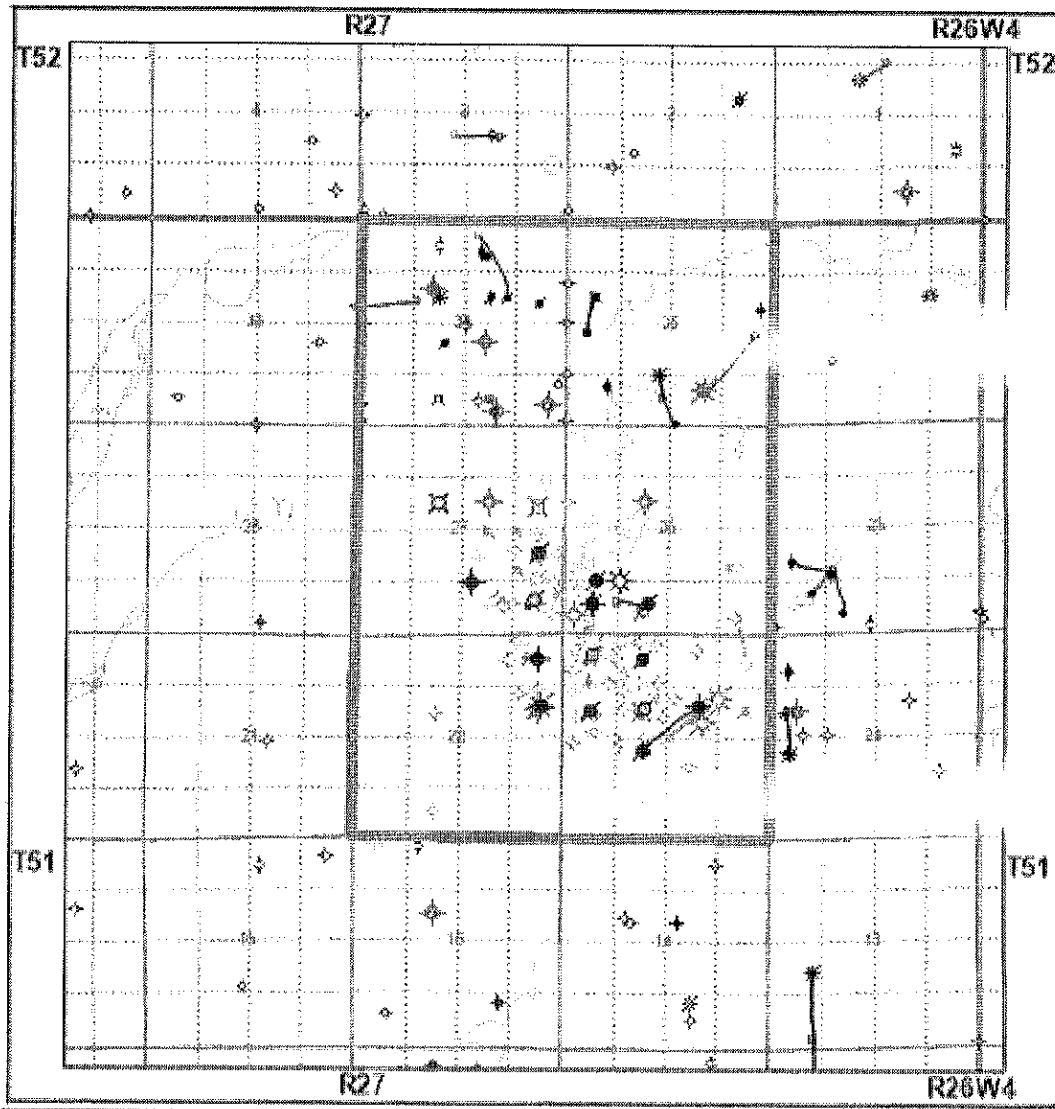
Shaun Addison, President

SCHEDULE "B"

TO THE ROYALTY AGREEMENT DATED THE 29th DAY OF JUNE, 2018;

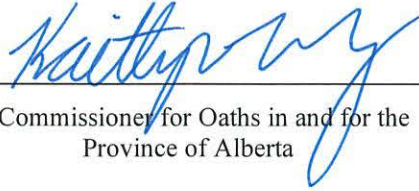
BETWEEN PURAVIDA EXPLORATION INC. AND
NEWGRANGE ENERGY INC.

"MUTUAL INTEREST LANDS"



(to be amended and signed by parties as mutual interest lands are acquired)

This is Exhibit "I"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

ROYALTY AGREEMENT

Dated this 29th day of June, 2018.

BETWEEN:

NEWGRANGE ENERGY INC., a body corporate, having an office at the City of Calgary, in the Province of Alberta; (hereinafter sometimes referred to as "Royalty Payor")

1591195 ALBERTA LTD., a body corporate, having an office at the City of Calgary, in the Province of Alberta; (hereinafter sometimes referred to as the "Royalty Owner")

WHEREAS the parties hereto have heretofore agreed that the Royalty Owner shall have a gross overriding royalty interest in all Petroleum Substances produced, saved and marketed from the Royalty Lands, all as more particularly hereinafter provided;

NOW THEREFORE THIS ROYALTY AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereinafter set forth, the parties agree as follows:

1. DEFINITIONS;

In this Royalty Agreement including the recitals and this clause, unless the context otherwise requires, the following terms shall have the meanings hereinafter assigned thereto:

- (a) "Affiliate" shall have the meaning ascribed thereto in the *Business Corporations Act* (Alberta), as amended from time to time.
- (b) "Acquisition Date" shall mean the date or dates as set forth in Schedule "A" which is the date that the Royalty Payor acquired its interest in the Royalty Lands and shall also mean the date which triggers the effective date of the Area of Mutual Interest with respect to the particular Royalty Lands.
- (c) "Area of Mutual Interest" shall mean any lands outlined in Schedule "B" and shall be subject to all provisions in Clause 16 of this agreement.
- (d) "Condensate" shall mean a mixture mainly of pentanes and heavier hydrocarbons that may be containing Sulphur, or other associated compounds, that is recovered or is recoverable at the well from an underground reservoir and that may be gaseous in its virgin reservoir state but is liquid at the conditions under which its volume is measured or estimated.
- (e) "Crude Oil" shall mean a mixture mainly of pentanes and heavier hydrocarbons (whether or not containing Sulphur, or other associated compounds) that is recovered at a well from an underground reservoir and that is liquid at the conditions under which its volume is measured or estimated and shall include crude naphtha that is so recovered.

- (f) "Facility Fees" shall mean as applicable:
- (i) For Facility Usage of facility capacity owned by third parties (other than Affiliates of the Royalty Payor), all costs and expenses paid by the Royalty Payor for that facility usage; or
 - (ii) For Facility Usage of facility capacity owned by the Royalty Payor (or an Affiliate of the Royalty Payor), an expense equal to a fee (comprised of both operating and return on capital components) in accordance with either:
 - A. The fee ordinarily chargeable for the same use as the Facility Usage, if that facility is made available for use to third parties; or
 - B. In all other circumstances, a fee sufficient to cover that use of facilities, where the capital recovery component of that fee uses as a guideline the PVA Jumping Pound-95 methodology and the operating cost component is calculated and assessed on the basis of facility throughput costs.
- (g) "Facility Usage" shall mean the Royalty Payor's use of facilities beyond those included in equipping costs to make merchantable and to deliver to market Petroleum Substances produced from Royalty Lands, including as applicable, the gathering, compression, treatment, processing and transportation, but excluding any basis adjustments made in the determination of the Market Price of Natural Gas.
- (h) "Leases" shall mean the title documents relating to the Royalty Lands, and any extensions, renewals, variations or replacements of the title documents, including without limitation the lease(s) described in the attached Schedule "A"
- (i) "Market Price" shall mean the price at which Petroleum Substances are sold by the Royalty Payor pursuant to clause 3(a), which price shall not be unreasonable, having regard to market conditions applicable to similar arm's length transactions at the applicable time, including without limitation, such factors as the volumes available, the kind and quality of petroleum substances to be sold, the effective date of the sale, the term of the sale, the point of sale and the type of transportation service available, and for sales of Natural Gas shall be not less than the one month spot index price received by the Royalty Payor in Alberta for the month of production subject to reasonable transportation basis adjustments.
- (j) "Natural Gas" shall mean raw gas or marketable gas as the context so requires, as those terms are defined in the *Oil and Gas Conservation Act* (Alberta), as amended from time to time.
- (k) "Natural Gas Liquids" shall mean propane, butane, pentanes plus, or a combination of them, obtained from the processing of Natural Gas or Condensate.
- (l) "Overriding Royalty" shall mean the percentage of Petroleum Substances produced from the Royalty Lands calculated in accordance with the provisions of this Royalty Agreement payable by the Royalty Payor to the Royalty Owner.
- (m) "Petroleum Substances" shall mean all Crude Oil, Natural Gas, Condensate, Natural Gas Liquids, related hydrocarbons, Sulphur, and every other substance an interest in which is granted under the Leases.

- (n) "Point of Measurement shall mean the first point at which Petroleum Substances are or can be metered, measured or allocated downstream of the wellhead following the basic processing described in clause 2(e)
- (o) "Regulations" shall mean all statutes, laws, rules, orders and regulations in effect from time to time.
- (p) "Royalty Lands" shall mean, to the extent granted by the Leases, the lands set out in the attached Schedule "A" (or that may hereafter be made subject to a gross overriding royalty to Royalty Owner by virtue of Area of Mutual Interest or otherwise) or any portion thereof, in which Royalty Payor has an interest therein.

All derivations of the foregoing shall bear the corresponding meanings.

2. CREATION OF OVERRIDING ROYALTY;

- (a) The Royalty Owner does hereby reserve to itself and the Royalty Payor does hereby grant to Royalty Owner the Overriding Royalty on the Royalty Lands as described in this Royalty Agreement and based upon the working interest of the Royalty Payor as set forth in the attached Schedule "A" or Schedule "A-1". The Overriding Royalty is intended to be an interest in land in the Royalty Lands, and to be a covenant running therewith.
- (b) The Overriding Royalty will be calculated on a well by well basis at the Point of Measurement as follows:
 - (i) For Crude Oil 1.5% of the gross monthly production thereof produced from or allocated to each well on the Royalty Lands; and
 - (ii) For all other Petroleum Substances 1.5% of the gross monthly production thereof produced from or allocated to each well on the Royalty Lands.

The Overriding Royalty shall be payable by Royalty Payor to Royalty Owner in accordance with this Agreement and attached Schedules.

- (c) The Royalty Payor shall deliver the Overriding Royalty to Royalty Owner either:
 - (i) By selling the Overriding Royalty (or a portion thereof) on behalf of Royalty Owner and accounting for the proceeds thereof in accordance with clause 3; or
 - (ii) By taking in kind the Overriding Royalty (or a portion thereof) in accordance with clause 4 (if Royalty Owner so elects).
- (d) Subject to the other provisions of this Royalty Agreement, the Royalty Payor is hereby appointed as the agent of the Royalty Owner for the handling and disposition of the Overriding Royalty. All acts of the Royalty Payor under this Clause in the handling and disposition of those Petroleum substances and the receipt of proceeds of sale therefrom will be as trustee for the Royalty Owner
- (e) Regardless of whether the Overriding Royalty is taken in kind or sold by Royalty Payor on Royalty Owner's behalf, Royalty Payor shall be responsible to ensure the treatment of Crude Oil for the separation, removal and disposal of basic sediment and water, any extraction of liquid hydrocarbons from Natural Gas at the wellhead and any wellsite separation, removal and disposal of basic sediment and water therefrom, and any wellsite dehydration of Natural Gas.
- (f) The Royalty Payor shall not be required to account to Royalty Owner for that portion of the Overriding Royalty that Royalty Payor (or the operator of the Royalty Lands)

reasonably uses or unavoidably loses in drilling and production operations for the Royalty Lands as described in clause 6(d).

3. OVERRIDING ROYALTY NOT TAKEN IN KIND;

- (a) To the extent that the Royalty Payor disposes of the Overriding Royalty on behalf of the Royalty Owner:
 - (i) Except to the extent otherwise agreed by the Royalty Payor and the Royalty Owner, insofar as the Royalty Payor takes possession of the Overriding Royalty as agent of the Royalty Owner, the Royalty Payor will dispose of those Petroleum Substances by:
 - A. Selling those Petroleum Substances at a Market Price and accounting to the Royalty Owner for the proceeds of the sale; or
 - B. Purchasing those Petroleum Substances for the Royalty Payor's own account (or the account of Affiliate) at a Market Price and accounting to the Royalty Owner therefore.
 - (ii) Subject to the maximums set out in clause 3(d), the Royalty Owner will be responsible, on a well by well basis, for the following costs and expenses incurred after the Point of Measurement with respect to the Overriding Royalty, which Royalty Payor may deduct from the proceeds payable to Royalty Owner pursuant to clause 5:
 - A. Any associated Facility Fees and any transportation costs to transport those Petroleum Substances from the Point of Measurement to the point of sale; and
 - B. Any costs and expenses the Royalty Payor is required to incur to enrich the heating value or to facilitate transportation or marketing of those Petroleum Substances, with the intention that neither the Royalty Payor or the Royalty Owner suffer a loss as a result of that enrichment. Enrichment operations include, without limitation, condensate blending in the case of heavy oil and enrichment by propane or butane in the case of gas with low heating value.
- (b) The Royalty Owner shall not be responsible for any other costs or expenses related to the Overriding Royalty other than as set out above.
- (c) A cost or expense attributable to more than one Petroleum Substance being sold by the Royalty Payor may only be deducted once.
- (d) The costs and expenses to be borne by the Royalty Owner pursuant to this clause 3 and deducted by Royalty Payor shall exceed neither:
 - (i) Those permitted by the Regulations for the calculation of royalties if the lessor under the relevant Title Documents were the Crown in right of the Province in which the Royalty Lands are located; or
 - (ii) 50% of the Market Price [first adjusted for any deductions relating to enrichment of heating value under clause 3(a)(ii)] from the sale of the Overriding Royalty.
- (e) The deductions set forth in this clause 3 pertain to the costs and expenses that would otherwise be incurred by the Royalty Owner to bring those Petroleum Substances to the

point of sale if the Royalty Owner were taking those Petroleum Substances in kind. The allowable deductions are expressed as cash obligations for convenience of record keeping and audit and are not to be construed as altering the nature of the Overriding Royalty as an interest in land.

4. OVERRIDING ROYALTY TAKEN IN KIND;

- (a) The Royalty Owner may revoke the agency established in clause 2(d) and elect to take delivery and separately dispose of any of the Overriding Royalty at the Point of Measurement effective at the 1st day of the calendar month next following the following minimum periods. In the case of Crude Oil and Condensate, such right shall only be exercised on a minimum of 45 days' notice to the Royalty Payor. In the case of Natural Gas Liquids and Natural Gas Liquids, such right shall only be exercised on six months' notice to the Royalty Payor. If the Royalty Owner, however, signifies in writing its consent to the sale of any of the Royalty Owner's share of Petroleum Substances under a contract made by the Royalty Payor providing for a minimum term in excess of the said respective notice periods, the Royalty Owner's right to take in kind any Petroleum Substances subject to such contract shall be suspended during the term of such contract. The Royalty Owner will supply the Royalty Payor with such information regarding the Royalty Owner's arrangements for disposition of those Petroleum Substances as the Royalty Payor may reasonably require to coordinate custody transfer and shipping arrangements for those Petroleum Substances. Failure to provide the Royalty Payor with that information will be deemed to be a failure by the Royalty Owner to take those Petroleum Substances in kind.
- (b) To the extent the Royalty Owner takes in kind its Overriding Royalty, the Royalty Payor will, at the Royalty Payor's cost:
 - (1) In respect of Crude Oil or Condensate extracted from Natural Gas at the wellhead:
 - A. Remove basic sediment and water from those Petroleum Substances in accordance with good oilfield practice, so that relevant pipeline specifications can be met.
 - B. Provide the Royalty Owner with a proportionate share of the Royalty Payer's tankage and storage facilities to store a maximum of 10 days production of the Royalty Owner's share of Crude Oil and Condensate; and
 - C. Deliver such Petroleum Substances to the Royalty Owner, or the Royalty Owner's nominee, at the Point of Measurement in accordance with usual and customary pipeline and shipping practice free and clear of all charges.
 - (2) In respect of Natural Gas and Natural Gas Liquids, deliver them to the Royalty Owner, or the Royalty Owner's nominee, at the applicable Point of Measurement for the relevant well.
- (c) Insofar as the Royalty Owner has elected to revoke the agency established by clause 2(d), the Royalty Owner may re-establish that agency upon giving the Royalty Payor the same minimum notice as aforesaid to revoke such agency. This right may be exercised separately for each type of Petroleum Substance.

5. PAYMENT OF ROYALTY;

- (a) If the Royalty Payor receives funds on account of or as the proceeds of sale of the production of Petroleum Substances comprising the Overriding Royalty, the Royalty Payor will receive the Royalty Owner's share of those funds as trustee for the Royalty Owner.
- (b) The Royalty Payor must remit to the Royalty Owner all funds accruing to the Royalty Owner on account of the Overriding Royalty on or before the 25th day of the calendar month next following the calendar month in which the Royalty Payor received those funds. For the timing of receipt of proceeds in this Clause, "received" will be read as "normally received" if the purchaser of those Petroleum Substances fails to pay the Royalty Payor for that production.
- (c) The Royalty Payor, when submitting to the Royalty Owner all monies accruing to the Royalty Owner, shall include a statement showing the quantity and kind of the Petroleum Substances produced, saved and sold from the Royalty Lands in the immediately preceding calendar month, the Market Price, together with a calculation of the Overriding Royalty from such proceeds.
- (d) A copy of the governmental production statement for the month for which the Overriding Royalty is calculated as aforesaid, and in addition, a copy of the Crown royalty statement with respect to the Leases, shall accompany each respective royalty statement to the Royalty Owner. Any information contained in such governmental production statement or Crown royalty statement need not be repeated in the Royalty Payer's statement to the Royalty Owner.

6. OPERATIONS ON THE ROYALTY LANDS;

- (a) The Royalty Payor shall make every reasonable endeavor within its legal authority to market any of the Petroleum Substances produced or capable of being produced from the Royalty Lands ratably with any other similar substances produced from any lands within the same pool in which the Royalty Payor or any Affiliate has an interest and further the Royalty Payor covenants that it will not discriminate against the Petroleum Substances produced or capable of being produced from the Royalty Lands in the production and marketing of the same.
- (b) The Royalty Payor shall have the right to commingle Petroleum Substances produced from the Royalty Lands with Petroleum Substances produced from other lands, if methods acceptable to the Royalty Owner are used to determine the proper measurement of individual well production. Where Regulations require segregated production tests of individual wells at intervals not greater than two months, such tests will be required.
- (c) The Royalty Payor shall pay all rentals, royalties, taxes and charges payable under the provisions of the Leases or with respect to the Royalty Lands and the production therefrom, either directly or by reimbursing the Royalty Owner, and shall keep the Leases in good standing until surrender thereof as herein provided for and shall not allow the Leases to terminate or become subject to forfeiture.
- (d) The Royalty Payor (or the operator of the Royalty Lands) shall not be required to account for that portion of the Overriding Royalty that it reasonably uses or unavoidably loses in drilling and production operations for the Royalty Lands including the proportionate use of those Petroleum Substances in batteries, treaters, compressors, separators, satellites and similar equipment serving Royalty Wells, but not including any enhanced recovery operations, reservoir injection or pressure maintenance secondary and heavy oil recovery or

upgrading schemes, or fuel and/or feedstock for any gas plant, refinery, satellite or battery, except to the extent such usage is permitted under the Leases without payment to the issuer thereof.

- (e) Nothing in this Royalty Agreement is to be construed as an expressed or implied covenant by the Royalty Payor to drill wells or in any other way develop the Royalty Lands.

7. WELL INFORMATION;

Royalty Payor shall provide to Royalty Owner the following information in respect of each well drilled on the Royalty Lands in which Royalty Payor has an interest:

- (a) Immediate notice of the spud date of the well;
- (b) Daily drilling and geological reports; and
- (c) Copies of logs, tests, seismic and all data acquired throughout the drilling of the well.

8. POOLING AND UNITIZATION;

- (a) The Royalty Payor may pool the Petroleum Substances in a zone underlying all or a portion of the Royalty Lands to the extent required to form a spacing unit in that zone, on the condition that the pooling allocates production therefrom to the applicable Royalty Lands in the proportion that the surface area of the Royalty Lands placed in the spacing unit bears to the total surface area of the spacing unit. The Royalty Payor will promptly give notice to the Royalty Owner describing the extent to which the Royalty Lands have been pooled and describing the pooled spacing unit.
- (b) If the Royalty Payor proposes to pool, unitize or otherwise combine any portion of the Royalty Lands, other than as provided in the previous Subclause, the Royalty Payor must promptly send notice of that intention to the Royalty Owner. That notice must include the technical justification for that pooling, unitization or combination and the proposed terms thereof, provided that the Royalty Payor will not be required to provide interpretative data to the Royalty Owner. Unless otherwise required by Regulations to form a spacing unit, the Royalty Payor will not enter into that pooling, unitization or combination without the prior written consent of the Royalty Owner, which consent will not be unreasonably delayed or withheld.
- (c) If any portion of the Royalty Lands are pooled, unitized or combined with any other lands pursuant to this Clause, the Overriding Royalty shall be calculated by using the quantity of Petroleum Substances thereby allocated to the affected Royalty Lands rather than the actual production therefrom.

9. RIGHT TO AUDIT;

- (a) The Royalty Owner shall have the right to audit the records of the Royalty Payor, at Royalty Owner's sole expense, insofar as they relate to any matter or items required to determine the accuracy of any statements or payments with respect to the Overriding Royalty. The books, records, vouchers and accounts maintained by the Royalty Payor shall be open to inspection at all reasonable times during business hours, by an officer, agent, employee or other person appointed or authorized by the Royalty Owner, in writing, to examine the same.

- (b) Any claims of discrepancies disclosed by the audit shall be made in writing to the Royalty Payor within two months following the completion of the audit. The Royalty Payor shall respond in writing to any claims of discrepancies within six months of receipt of the claims. To the extent that the parties are unable to resolve any outstanding claims of discrepancies disclosed by the audit, such audit exceptions shall be resolved by mediation, provided that, at any time during or within 30 days of the conclusion or termination of the mediation efforts, any party may elect by notice to the other parties to have such audit exceptions resolved pursuant to the *Arbitration Act* (Alberta), as amended from time to time.
- (c) Any statement rendered by the Royalty Payor to the Royalty Owner with respect to the production, disposition or sale of the Overriding Royalty and the permitted charges applicable thereto made by the Royalty Payor shall be conclusively deemed to be correct 24 months following the end of the calendar year in which the statement was received by the Royalty Owner unless and to the extent that the statement is disputed by the Royalty Owner before the end of that period.

10. SURRENDER;

- (a) If there are multiple working interest owners in any portion of the Royalty Lands and it is proposed to surrender to the grantor of the Leases or otherwise permit to expire all or a portion of the applicable lands, the provisions of any agreement governing the lands shall be complied with. To the extent that all working interest owners agree to the surrender or expiry of those Royalty Lands, or if there is only one Royalty Payor, the Royalty Payor shall give notice thereof ("Surrender Notice") to the Royalty Owner at least 60 days before the next ensuing anniversary date of the lease covering the lands or interest therein which it is proposed to surrender. Within 30 days after receipt of the Surrender Notice, the Royalty Owner may elect in writing to acquire such interest and if it does so the Royalty Payor shall, without warranty, forthwith transfer or assign such interest to the Royalty Owner. The Overriding Royalty shall thereafter cease to be payable with respect to the interest so assigned to the Royalty Owner. If the Royalty Owner fails to make the election as provided for herein, the Royalty Payor may surrender the lands specified in the Surrender Notice.
- (b) Upon the Royalty Owner electing to acquire the interest to be surrendered as set forth herein, the Royalty Owner shall assume all rights and obligations of the Royalty Payor with respect to the interest assigned, including indemnification of the Royalty Payor, which rights, obligations and indemnification accrue from and after the effective date of such assignment. The effective date of such assignment shall be the date upon which Royalty Owner elected to acquire the subject interest as provided herein.

11. ROYALTY OWNER'S LIEN;

- (a) The Royalty Owner shall be entitled to and shall have a first and paramount lien upon the Royalty Payor's share of all Petroleum Substances from time to time produced from the Royalty Lands to secure the payment of the Overriding Royalty. Such lien shall not operate to release the Royalty Payor from personal liability for monies due to the Royalty Owner. Such lien shall not attach to the Royalty Payor's share of Petroleum Substances sold or otherwise disposed of from the Royalty Lands, but immediately upon default occurring in payment by the Royalty Payor of monies payable to the Royalty Owner. Such lien shall operate as an assignment to the Royalty Owner of the proceeds payable to the Royalty Owner and not so paid by the Royalty Payor.

- (b) Service of a copy of this Royalty Agreement upon any purchaser of Petroleum Substances together with written notice from the Royalty Owner shall constitute written authorization on the part of the Royalty Payor for such purchaser to pay the Royalty Owner the proceeds from any sale or sales of the Royalty Payor's share of Petroleum Substances, up to the amount owed to the Royalty Owner by the Royalty Payor, and such purchaser is authorized to rely solely upon the statement of the Royalty Owner as to the amount owed to the Royalty Owner by the Royalty Payor.
- (c) The books and records kept by the Royalty Owner shall constitute written proof of the existence of such default, although no purchaser shall be obliged to examine the same before acting upon such notice of default.

12. INDEMNIFICATION;

- (a) The Royalty Payor shall:
 - (i) Be liable to the Royalty Owner for all losses, cost, damages and expenses whatsoever that the Royalty Owner may suffer, sustain, pay or incur; and in addition,
 - (ii) Indemnify and save harmless the Royalty Owner from and against all actions, suits, claims and demands whatsoever by any person;

In each of (i) and (ii) above, arising out of or resulting from any acts or omissions of the Royalty Payor, its servants, agents, employees or independent contractors in respect of operations carried on by it on the Leases and the Royalty Lands.

- (b) The Royalty Owner shall:
 - (i) Be liable to the Royalty Payor for all losses, costs, damages and expenses whatsoever that the Royalty Payor may suffer, sustain, pay or incur; and in addition,
 - (ii) Indemnify and save harmless the Royalty Payor from and against all actions, suits, claims and demands whatsoever by any person;

In each of (i) and (ii) above, arising out of or resulting from any acts or omissions of the Royalty Owner, its servants, agents, employees or independent contractors in respect of operations carried on by it on the Leases and the Royalty Lands.

13. NOTICES;

- (a) All notices to be given hereunder shall be in writing and may be served:
 - (i) Personally, by leaving them with the party on whom they are to be served at the party's address hereinafter given, provided such delivery shall be during normal business hours. Notices so served shall be deemed received by the addressee when actually delivered; or
 - (ii) By facsimile (or by any other like method by which a written message may be sent) directed to the party on whom they are to be served at the party's address hereinafter given. Notices so served shall be deemed received by the addressee when actually received by it within the normal working hours of a business day or at the commencement of the

next ensuing business day following transmission thereof, whichever is the later; or

- (iii) By mailing them first class (air mail if to or from a location outside of Canada) registered post, postage prepaid, to the party on whom they are to be served. Notices so served shall be deemed to be received by the addressee at noon, local time, on the earlier of the actual date of receipt or the fourth day (excluding local time, on the earlier of the actual date of receipt or the fourth day (excluding Saturdays, Sundays and statutory holidays) following the mailing thereof; and
- (iv) No party shall mail any notice if such party has notice of a strike or imminent strike of the postal service or of conditions, which would reasonably establish that the addressee thereof in the due course of the mail would not receive such notice. In such event, such party giving notice shall employ a method of waving such notice otherwise provided in this clause.

- (b) The address of each of the parties shall be:

NEWGRANGE ENERGY INC.
3600, 700 -- 2nd Street S.W.
Calgary, Alberta
T2P 2W3
Phone: 403-245-6168
Email: terry@newgrangecapital.com

1591195 ALBERTA LTD.
16 Wexford Place S.W.
Calgary, Alberta
T3H 0G9
Phone: 403-874-8774
Email: andyprefontaine@shaw.ca

- (c) Any party may change its address by notice served as provided above.

14. ASSIGNMENT;

The assignment of interests and obligations in this Royalty Agreement shall only be effective against the other party if the assignor and the assignee have complied with the terms of the 1993 Canadian Association of Petroleum Landmen Assignment Procedure, which shall be deemed to be included herein by reference. In the absence of an assignment in accordance with the foregoing or Royalty Owner's written consent, Royalty Payor shall remain liable for the payment of the Overriding Royalty notwithstanding that it may no longer have any interest in the Royalty Lands from which such Petroleum Substances are produced, or that it may not be receiving the production or proceeds of production therefrom.

15. MULTIPLE ROYALTY PAYORS;

If the Royalty Payor comprises at any time more than one party:

- (a) The Royalty Payer's obligations and liabilities to the Royalty Owner will be joint and several.
- (b) All rights, duties, obligations, elections and privileges to which Royalty Payor is entitled under this Royalty Agreement shall be shared and may be separately exercised by each party comprising the Royalty Payor in the proportions in which they from time to time own the working interests in the Royalty Lands.
- (b) The Royalty Payors shall designate one of them as their representative under this Clause and shall be bound by the acts and elections of that representative acting in that capacity; and
- (c) The Royalty Owner may deal solely with the Royalty Payor designated by notice as the Royalty Payer's representative from time to time, provided that the Royalty Owner will provide each Royalty Payor with notices the Royalty Owner serves to the Royalty Payor representative.

16. AREA OF MUTUAL INTEREST;

- (a) It is understood and agreed that any lands acquired by the Royalty Payor within the area or areas as outlined on Schedule "B" hereto shall be mutual interest lands ("mutual interest lands") and subject to the provisions of this Clause 16.
- (b) If the Royalty Payor acquires mutual interest lands within the period of time stipulated in Sub clause (c) hereof the Royalty Owner shall be entitled to receive the said royalty on the working interest of the Royalty Payor so acquired and the terms of this Agreement shall be deemed to apply thereto mutatis mutandis and Schedule "A-1" hereof shall be amended accordingly and signed by all parties so as to add the said lands and interest thereto. The Royalty Payor shall fully inform the Royalty Owner of any mutual interest lands so acquired by advising the Royalty Owner within thirty (30) days of such acquisition and shall provide Royalty Payor with a revised Schedule "A-1" for signing and incorporation into this Royalty Agreement.
- (c) This clause 16 shall apply only with respect to an interest acquired in mutual interest lands within two (2) years of the Acquisition Date as set forth in Schedule "A" for each of the Royalty Lands. With respect to the interests acquired thereafter, the Royalty Payor shall have no obligations to the Royalty Owner whatsoever pursuant to this Agreement.
- (d) If the parties hereto so agree, other Royalty Lands may be added to this Royalty Agreement. In the event the Royalty Payor acquires lands and all parties agree that such lands shall become Royalty Lands, Schedule "A" shall be amended and signed by all parties. Such additional Royalty Lands shall create a further area(s) of mutual interest and the parties agree to amend Schedule "B" to incorporate this area of mutual interest. The Royalty Owner shall be entitled to receive the said royalty on the working interest of the Royalty Payor in the additional Royalty Lands so acquired and the terms of this Agreement shall be deemed to apply thereto mutatis mutandis. However, the parties hereto agree that until such amended Schedules "A" and "B" are signed by all parties and incorporated into this Royalty Agreement the parties hereto shall have no additional obligations with respect to this Royalty Agreement.

17. MISCELLANEOUS;

- (a) This Royalty Agreement and the relationship amongst the parties hereto shall be construed and determined according to the laws of the Province of Alberta and each party hereto does attorn to the exclusive jurisdiction of the courts of the Province of Alberta with respect to any matter arising out of this Royalty Agreement.
- (b) The parties hereto shall from time to time and at all times do such further acts and execute and deliver such further deeds and documents as shall be reasonably required in order to fully perform and carry out the terms and intent of this Royalty Agreement.
- (c) The right of any party hereto to acquire any interest in lands subject to this Royalty Agreement shall not extend beyond the period set out in the applicable perpetuities Regulations.
- (d) No waiver by either party hereto of any breach of any of the conditions and provisions herein contained shall be effective or be binding upon the other party unless the same is expressed in writing, and any waiver so expressed shall not limit or affect its right with respect to any other or future breach.
- (e) Time is of the essence of this Royalty Agreement.
- (t) Subject to clause 14, this Royalty Agreement shall endure to the benefit of and be binding upon the parties hereto, their heirs, successors and permitted assigns.
- (g) The headings of the clauses of this Royalty Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Royalty Agreement.

IN WITNESS WHEREOF THE PARTIES have duly executed this Royalty Agreement as of the day and year first above written.

NEWGRANGE ENERGY INC.



Terry McCallum, President

1591195 ALBERTA LTD.



Andy Prefontaine, President

SCHEDULE "A"

TO THE ROYALTY AGREEMENT DATED THE 29th DAY OF JUNE, 2018;

**BETWEEN 1591195 ALBERTA LTD. AND
NEWGRANGE ENERGY INC.**

"ROYALTY LANDS"

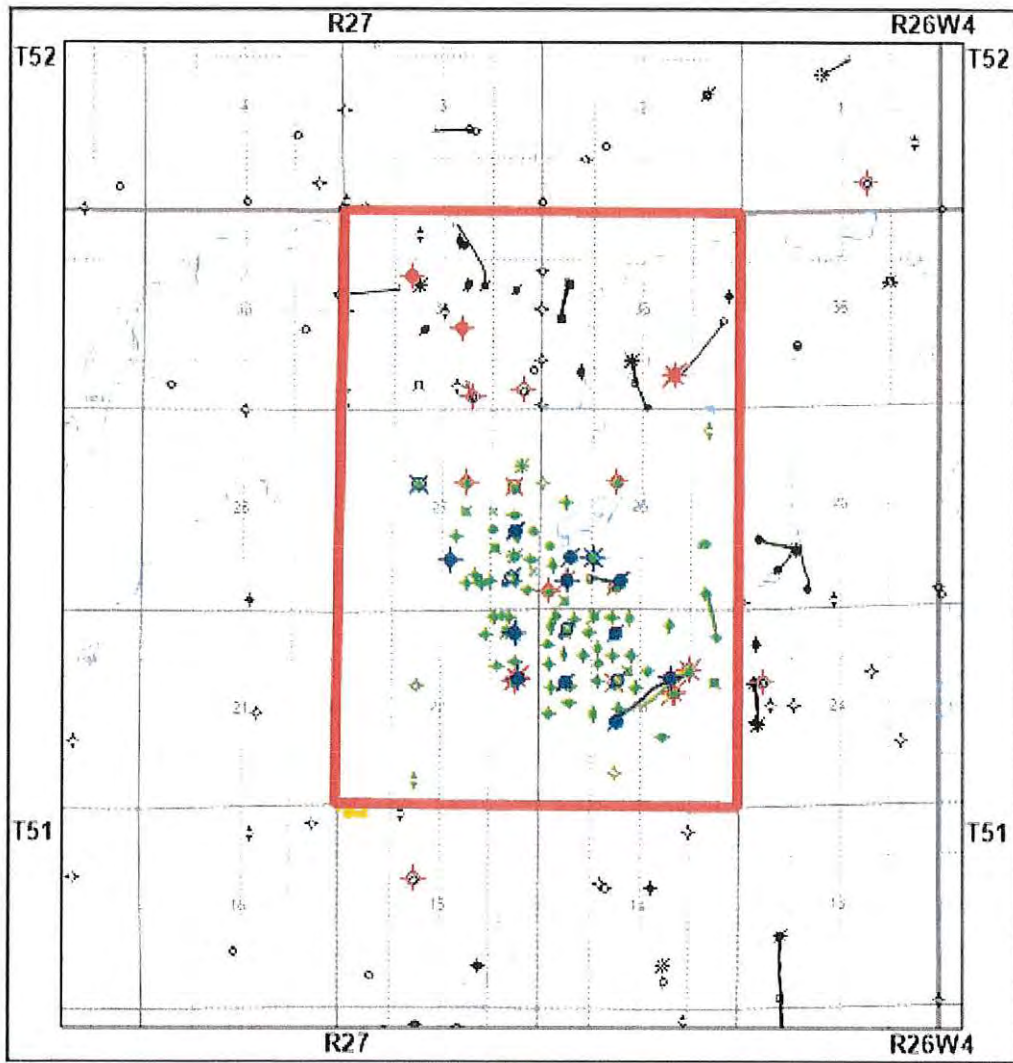
| Crown Agreement Number | Lands | P&NG Rights | WI of Royalty Payor | Ownership |
|-------------------------------|-----------------|--|-------------------------------|------------------|
| 22254 | 22-51-27 W4M | All PNG from Surface to Top Leduc | Newgrange Energy Inc. 100% | 100% |
| 22254 | 23-51-27 W4M | All PNG from Surface to Top Leduc | Newgrange Energy Inc. 100% | 100% |
| 22254 | 26-51-27 W4M | All PNG from Surface to Top Leduc | Newgrange Energy Inc.100% | 100% |
| 22254 | 27-51-27 W4M | All PNG from Surface to Top Leduc | Newgrange Energy Inc.100% | 100% |
| 39143 | NW 35-51-27 W4M | All PNG from Surface to Base Mannville (excluding PNG in Basal Quartz) | Newgrange Energy Inc.100% | 5% |

SCHEDULE "B"

TO THE ROYALTY AGREEMENT DATED THE 29th DAY OF JUNE, 2018;

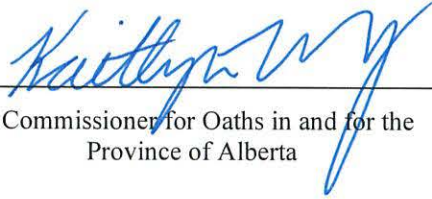
BETWEEN 1591195 ALBERTA LTD. AND
NEWGRANGE ENERGY INC.

"MUTUAL INTEREST LANDS"



(to be amended and signed by parties as mutual interest lands are acquired)

This is Exhibit "J"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

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

Date of Search: 2023/12/01
Time of Search: 07:50 AM
Search provided by: FASKEN MARTINEAU DUMOULIN LLP
Service Request Number: 40991853
Customer Reference Number: 324505.00011

Corporate Access Number: 2021149576
Business Number: 751450487
Legal Entity Name: PURAVIDA EXPLORATION INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2018/04/25 YYYY/MM/DD

Registered Office:

Street: 732 19 AVE NW
City: CALGARY
Province: ALBERTA
Postal Code: T2M0Z1

Records Address:

Street: 732 19TH AVENUE NW
City: CALGARY
Province: ALBERTA
Postal Code: T2M0Z1

Email Address: SHAUNADDISON@SHAW.CA

Primary Agent for Service:

| Last Name | First Name | Middle Name | Firm Name | Street | City | Province | Postal Code | Email |
|-----------|------------|-------------|-----------|------------------------|---------|----------|-------------|----------------------|
| ADDISON | SHAUN | | | 732 19 AVE NW | CALGARY | ALBERTA | T2M0Z1 | SHAUNADDISON@SHAW.CA |

Directors:

Last Name: ADDISON

First Name: SARA
Street/Box Number: 732 19 AVE NW
City: CALGARY
Province: ALBERTA
Postal Code: T2M0Z1

Last Name: ADDISON
First Name: SHAUN
Street/Box Number: 732 19 AVE NW
City: CALGARY
Province: ALBERTA
Postal Code: T2M0Z1

Voting Shareholders:

Last Name: ADDISON
First Name: SHAUN
Street: 732 19 AVE NW
City: CALGARY
Province: ALBERTA
Postal Code: T2M0Z1
Percent Of Voting Shares: 60

Last Name: ADDISON
First Name: SARA
Street: 732 19 AVE NW
City: CALGARY
Province: ALBERTA
Postal Code: T2M0Z1
Percent Of Voting Shares: 40

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED SCHEDULE "A"
Share Transfers Restrictions: NO SHARES OF THE CAPITAL OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE SANCTION OF A MAJORITY THE DIRECTORS OF THE CORPORATION AS EVIDENCED BY A RESOLUTION IN WRITING OF THE DIRECTORS.
Min Number Of Directors: 1
Max Number Of Directors: 15

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: SEE ATTACHED SCHEDULE "B"

Other Information:

Last Annual Return Filed:

| File Year | Date Filed (YYYY/MM/DD) |
|-----------|-------------------------|
| 2023 | 2023/04/17 |

Filing History:

| List Date (YYYY/MM/DD) | Type of Filing |
|------------------------|---|
| 2018/04/25 | Incorporate Alberta Corporation |
| 2020/02/23 | Update BN |
| 2023/04/17 | Enter Annual Returns for Alberta and Extra-Provincial Corp. |

Attachments:

| Attachment Type | Microfilm Bar Code | Date Recorded (YYYY/MM/DD) |
|---|--------------------|----------------------------|
| Share Structure | ELECTRONIC | 2018/04/25 |
| Other Rules or Provisions | ELECTRONIC | 2018/04/25 |

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



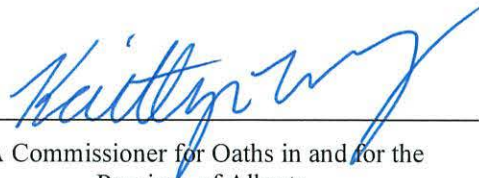
This is Exhibit "K"

Referred to in the Affidavit of

CHRIS WUTZKE

Sworn before me this 2nd day of

February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

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

Date of Search: 2023/12/01
Time of Search: 07:51 AM
Search provided by: FASKEN MARTINEAU DUMOULIN LLP
Service Request Number: 40991831
Customer Reference Number: 324505.00011

Corporate Access Number: 2015911957
Business Number: 729391516
Legal Entity Name: 1591195 ALBERTA LTD.

Legal Entity Status: Active
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2011/03/04 YYYY/MM/DD
Date of Last Status Change: 2023/06/01 YYYY/MM/DD

Revival/Restoration Date: 2018/10/19 YYYY/MM/DD

Registered Office:

Street: 16 WEXFORD PL SW
City: CALGARY
Province: ALBERTA
Postal Code: T3H0G9

Records Address:

Street: 16 WEXFORD PL SW
City: CALGARY
Province: ALBERTA
Postal Code: T3H0G9

Email Address: ANDYPREFONTAINE@SHAW.CA

Primary Agent for Service:

| Last Name | First Name | Middle Name | Firm Name | Street | City | Province | Postal Code | Email |
|-------------|------------|-------------|-----------|------------------|---------|----------|-------------|-------------------------|
| PREFONTAINE | ANDRE | | | 16 WEXFORD PL SW | CALGARY | ALBERTA | T3H0G9 | ANDYPREFONTAINE@SHAW.CA |

Directors:

Last Name: PREFONTAINE
First Name: ANDRE
Street/Box Number: 16 WEXFORD PLACE SW
City: CALGARY
Province: ALBERTA
Postal Code: T3H0G9

Voting Shareholders:

Last Name: PREFONTAINE
First Name: CHRISTINE
Street: 16 WEXFORD PL SW
City: CALGARY
Province: ALBERTA
Postal Code: T3H0G9
Percent Of Voting Shares: 50

Last Name: PREFONTATINE
First Name: ANDRE
Street: 16 WEXFORD PL SW
City: CALGARY
Province: ALBERTA
Postal Code: T3H0G9
Percent Of Voting Shares: 50

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

Share Structure: AS PER ATTACHED SCHEDULE "A"
Share Transfers Restrictions: NO SHARES SHALL BE TRANSFERRED WITHOUT THE APPROVAL OF ALL THE DIRECTORS OF THE CORPORATION BY RESOLUTION IN WRITING.
Min Number Of Directors: 1
Max Number Of Directors: 10
Business Restricted To: NO RESTRICTIONS
Business Restricted From: NO RESTRICTIONS
Other Provisions: AS PER ATTACHED SCHEDULE "B"

Other Information:**Last Annual Return Filed:**

| File Year | Date Filed (YYYY/MM/DD) |
|-----------|-------------------------|
| 2023 | 2023/06/01 |

Filing History:

| List Date (YYYY/MM/DD) | Type of Filing |
|------------------------|---------------------------------|
| 2011/03/04 | Incorporate Alberta Corporation |

| | |
|------------|---|
| 2018/09/02 | Status Changed to Struck for Failure to File Annual Returns |
| 2018/10/19 | Initiate Revival of Alberta Corporation |
| 2018/10/19 | Complete Revival of Alberta Corporation |
| 2020/02/20 | Update BN |
| 2023/05/02 | Status Changed to Start for Failure to File Annual Returns |
| 2023/06/01 | Enter Annual Returns for Alberta and Extra-Provincial Corp. |

Attachments:

| Attachment Type | Microfilm Bar Code | Date Recorded (YYYY/MM/DD) |
|---|---------------------------|-----------------------------------|
| Share Structure | ELECTRONIC | 2011/03/04 |
| Other Rules or Provisions | ELECTRONIC | 2011/03/04 |

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



This is Exhibit "L"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

ASSET PURCHASE AGREEMENT

BETWEEN:

**NEWGRANGE ENERGY INC., a body corporate having an office in the city of Calgary in the
Province of Alberta**

- AND -

**FREE REIN RESOURCES LTD., a body corporate having an office in the city of Calgary in the
Province of Alberta**

Effective November 1, 2018

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT made effective as of the 1st day of November, 2018.

BETWEEN:

NEWGRANGE ENERGY INC., a body corporate having an office in the city of Calgary in the Province of Alberta (the "**Vendor**")

- and -

FREE REIN RESOURCES LTD., a body corporate having an office in the city of Calgary in the Province of Alberta (the "**Purchaser**")

AND WHEREAS the Vendor wishes to sell the Assets to the Purchaser and the Purchaser wishes to purchase the Assets from the Vendor, all upon and subject to the terms and conditions set forth in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, mutual covenants, agreements and warranties in this Agreement, the Parties covenant and agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals, this Section 1.1 and the Schedules attached hereto, unless the context otherwise requires, or unless otherwise defined herein, the following words and phrases shall have the following meanings:

- (a) "**Abandonment and Reclamation Liabilities**" means all past, present and future obligations and liabilities to:
- (i) abandon the Wells and close, decommission, dismantle and remove all structures, foundations, buildings, pipelines, seismic lines, equipment, tanks and other facilities and Tangibles that are or were located in or on the Lands or lands used or previously used in connection with the Lands; and
 - (ii) restore, remediate and reclaim any surface and subsurface locations of the Lands on which the Wells, structures, foundations, buildings, pipelines, seismic lines, equipment, tanks and other facilities described in Section 1.1(a)(i) (including Wells, structures, foundations, buildings, pipelines, seismic lines, equipment, tanks and other facilities which were abandoned or decommissioned prior to the date hereof) are or were located and all lands used to gain access to any of them;

all in accordance with generally accepted industry practices in the province where the Assets are located and in compliance with all Applicable Laws and the Title and Operating Documents.

- (b) "**Accounting Firm**" means a nationally or internationally recognized firm of chartered accountants as may be selected by the Parties.

- (c) **"Affiliate"** means any Person that controls, is controlled by or is under common control with a Party, or which controls, is controlled by or under common control with a Person which controls such Party; for the purposes of this definition, the term **"controls"** and **"controlled by"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through the ownership of voting securities or by contract, partnership agreement, trust arrangement or other means, either directly or indirectly, that results in control in fact, provided that direct or indirect ownership of shares of a corporation carrying not less than fifty (50%) percent of the voting rights shall constitute control of such corporation. For certainty, a partnership which is a Party and which is comprised of corporations which are Affiliates shall be deemed to be an Affiliate of each such corporation and its other Affiliates.
- (d) **"Agreement"** means this Asset Purchase Agreement including the recitals hereto and the Schedules attached hereto.
- (e) **"Applicable Laws"** means, in relation to any Person, asset, transaction, event or circumstance:
- (i) statutes (including regulations enacted thereunder);
 - (ii) judgments, decrees and orders of courts of competent jurisdiction;
 - (iii) regulations, orders, ordinances and directives issued by Government Authorities; and
 - (iv) the terms and conditions of all permits, licenses, approvals and authorizations;
- which are applicable to such Person, asset, transaction, event or circumstance.
- (f) **"Assets"** means all of the Vendor's right, title, estate and interest in the Petroleum and Natural Gas Rights, the Miscellaneous Interests and the Tangibles.
- (g) **"Business Day"** means any day other than a Saturday, Sunday or statutory holiday in Calgary, Alberta.
- (h) **"Claim"** means any claim, actions, causes of action, demand, lawsuit, proceeding, judgment, awards, decrees, determinations, adjudications, writs, orders, pronouncements, audits, arbitration, mediation, hearings, investigations, governmental investigation or actions of every kind, nature or description, in each case, whether asserted, threatened, pending, contingent or existing, and whether based on contract, tort, statute or other legal or equitable theory of recovery.
- (i) **"Closing"** means the transfer of possession, risk, beneficial and legal ownership of the Assets from the Vendor to the Purchaser, the exchange of Conveyance Documents and payment of the Purchase Price by the Purchaser to the Vendor, and all other items and consideration required to be delivered on the Closing Date pursuant hereto.
- (j) **"Closing Date"** has the meaning provided in Section 5.1.
- (k) **"Closing Payment"** has the meaning provided in Section 3.4.
- (l) **"Conveyance Documents"** means all conveyances, assignments, transfers, novations, notices of assignment, trust agreements and declarations, subleases, directions to pay and other documents and instruments that are reasonably required or desirable in accordance

with generally accepted oil and gas industry practice in the province where the Assets are located, to convey, assign and transfer title to the Assets held in the name of the Vendor to the Purchaser and to novate the Purchaser or its Affiliates in the place and stead of the Vendor or its Affiliates with respect to the Assets.

- (m) "**Court**" means the Court of Queen's Bench of Alberta.
- (n) "**Data Room Information**" means all Information provided to the Purchaser in electronic form in relation to the Vendor and/or the Assets.
- (o) "**Vendor**" is as defined in the preamble.
- (p) "**dollar**" and "**\$**" mean a dollar of the lawful money of Canada.
- (q) "**Effective Time**" means 12:01 a.m. on November 1, 2018.
- (r) "**Encumbrance**" means all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, royalties, pledges, options, privilege, interests, assignments, actions, executions, levies, taxes, judgments, writs of execution, lease, reservation of ownership, rights of pre-emption, claims (whether financial, monetary or otherwise) or charges, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise and all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (s) "**Environment**" means the components of the earth and includes ambient air, land, surface and sub-surface strata, groundwater, surface water, all layers of the atmosphere, all organic and inorganic matter and living organisms, and the interacting natural systems that include such components.
- (t) "**Environmental Law**" means all Applicable Laws respecting the protection of, or the control, remediation or reclamation of contamination or pollution of, the Environment or any part thereof.
- (u) "**Environmental Liabilities**" means all past, present and future obligations and liabilities of whatsoever nature or kind arising from or relating to, directly or indirectly:
 - (i) Environmental Matters;
 - (ii) past, present and future non-compliance with, violation of or liability under Environmental Laws relating to or arising in connection with the ownership or control of the Assets; or
 - (iii) Abandonment and Reclamation Liabilities,whenever occurring or arising.
- (v) "**Environmental Matters**" means any activity, event or circumstance in respect of or relating to:
 - (i) the storage, use, holding, collection, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling, transportation or Release of Hazardous Substances;

- (ii) the protection of the Environment; or
- (iii) pollution, reclamation, remediation or restoration of the Environment;

in each case relating to or arising in connection with the ownership or control of the Lands or the Assets or that has or have arisen or hereafter arise from or in respect of past, present or future Operations, activities or omissions in or on the Lands or in respect of the Assets, including obligations to compensate Third Parties for Losses and Liabilities.

- (w) "**Facilities**" means the Vendor's entire interest in the facilities related to the Assets including the facilities described in Schedule "A", Part 4 and all discontinued facilities.
- (x) "**Final Statement of Adjustments**" has the meaning provided in Section 4.2(b).
- (y) "**GAAP**" means generally accepted accounting principles as applied in Canada as of the Effective Time.
- (z) "**General Conveyance**" means the general conveyance in the form attached as Schedule "B".
- (aa) "**Government Authority**" means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, or department, including any government-owned entity, having jurisdiction over a Party, the Assets or the Transaction.
- (bb) "**GST**" the goods and services tax required to be paid pursuant to the *Excise Tax Act* (Canada) and in accordance with Section 3.5(a).
- (cc) "**Hazardous Substances**" means hazardous or toxic substances, hazardous wastes, radioactive substances, asbestos, dangerous goods and Petroleum Substances, including any and all substances and wastes regulated under Environmental Law.
- (dd) "**Land Schedule**" means the lands listed in Schedule "A", Part 1.
- (ee) "**Lands**" means the entire interest of Vendor as of the Effective Time in and to the lands set forth and described in the Land Schedule, and includes (i) unless the context otherwise requires, the surface of such lands and (ii) the Petroleum Substances within, upon or under such lands, together with the rights to mine for, drill for, explore for, win, take, own or remove same, insofar as the same are granted by the Leases to such lands.
- (ff) "**Leases**" means the leases, subleases, reservations, permits, licenses or other documents of title set forth and described in the Land Schedule by virtue of which the holder thereof is entitled to drill for, explore for, mine, win, take, own or remove Petroleum Substances underlying the Lands and include, if applicable, all renewals and extensions of such documents and all documents issued in substitution therefor.
- (gg) "**Losses and Liabilities**" means, in relation to a matter, any and all:
 - (i) losses, costs, damages, expenses and charges (including all penalties, assessments and fines) which a Party suffers, sustains, pays or incurs, directly or indirectly, in connection with such matter and includes costs of legal counsel (on a full indemnity basis) and other professional advisors and reasonable costs of investigating and defending Claims arising from the matter, regardless of whether

such Claims are sustained and includes taxes payable on any settlement payment or damage award in respect of such matter; and

- (ii) liabilities and obligations (whether under common law, in equity, under Applicable Law or otherwise; whether tortious, contractual, vicarious, statutory or otherwise; whether absolute or contingent; and whether based on fault, strict liability or otherwise) which a Party suffers, sustains, pays or Incurs as a result of or in connection with such matter;

but excluding indirect, incidental, consequential, exemplary, special or punitive losses or damages or loss of profits suffered, sustained, paid or incurred by a Party.

- (hh) "**Miscellaneous Interests**" means, subject to the exclusion of the Excluded Assets, all of the right, title, interest and estate of the Vendor in and to all property, assets and rights, whether contingent or absolute, legal or beneficial, present or future, vested or not (other than the Petroleum and Natural Gas Rights and the Tangibles), to the extent relating to the Petroleum and Natural Gas Rights, the Tangibles or the Lands, and to which the Vendor is entitled at the Effective Time, including the following property, rights and assets:

- (i) all contracts, agreements, books, records, files, maps and documents to the extent that they relate to the Petroleum and Natural Gas Rights, the Tangibles or the Lands, including the Title and Operating Documents and any rights of the Vendor in relation thereto;
- (ii) the Surface Interests and all contracts, agreements, books, records, files, maps and documents to the extent that they relate to the Surface Interests, including the Title and Operating Documents and any rights of the Vendor in relation thereto;
- (iii) all engineering and technical information (including all data, reports, findings and archive samples, and all core or liquid samples and cuttings) to the extent relating to the Petroleum and Natural Gas Rights, the Tangibles or the Lands which the Vendor has in its custody or has access, excluding any such information which is subject to confidentiality restrictions;
- (iv) all permits, licenses, approvals, orders and other authorizations, crossing privileges and other subsisting rights to carry out operations on the Lands and any lands upon which the Tangibles or Wells are located, including well and pipeline licenses and other permits, licenses, approvals, orders and other authorizations relating to the Petroleum and Natural Gas Rights, the Tangibles, the Wells or the Lands; and
- (v) the Wells, including the entire wellbores and casings, and all contracts, agreements, books, records, files, maps and documents to the extent that they relate to the Wells, including the Title and Operating Documents and any rights of the Vendor in relation thereto.

- (ii) "**Operations**" means any and all work, activities and operations of any kind whatsoever conducted on or with respect to the Assets.

- (jj) "**Party**" means the Vendor or the Purchaser, and "**Parties**" means the Vendor and the Purchaser.

- (kk) **"Permitted Encumbrances"** means any of the following:
- (i) easements, rights of way, servitudes, permits, licenses and other similar rights in land, 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 cable;
 - (ii) the right reserved to or vested in any Government Authority by the terms of any Title and Operating Document, lease, license, franchise, grant or permit or by any Applicable Law, to terminate any such Title and Operating Document, lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
 - (iii) the right reserved to or vested in any Government Authority to levy taxes on Petroleum Substances or the income or revenue attributable thereto and governmental requirements and limitations of general application;
 - (iv) rights reserved to or vested in any Government Authority to control or regulate any of the Assets in any manner;
 - (v) liens granted in the ordinary course of business to a public utility or Government Authority in connection with operations on or in respect of the Lands;
 - (vi) the express or implied reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interests therein and statutory exceptions to title;
 - (vii) all royalty burdens, liens, adverse claims, penalties, conversions and other Encumbrances identified in the Land Schedule;
 - (viii) the terms and conditions of the Leases and the Title and Operating Documents; and
 - (ix) any other circumstance, matter or thing disclosed in any Schedule hereto.

Additionally, the following items must be identified in a Schedule to qualify as a Permitted Encumbrance: (A) any overriding royalty, net profits or other similar encumbrance applicable to the Petroleum and Natural Gas Rights for which Purchaser will assume the obligation for payment; (B) any existing potential alteration of the Vendor's interests in the Assets because of a payout conversion or farm-in, farm-out or other similar agreement; and (C) any security interest which would not be a Permitted Encumbrance under the preceding paragraphs of this definition.

- (ll) **"Person"** means any individual, company, corporation, limited or unlimited liability company, sole proprietorship, joint venture, partnership (limited or general), trust, trustee, executor, Government Authority or other entity.
- (mm) **"Petroleum and Natural Gas Rights"** means all of the right, title, estate and interest, whether absolute or contingent, legal or beneficial, present or future, vested or not, and whether or not an "interest in land", of the Vendor in and to the Lands and the Leases, subject in all events to the Permitted Encumbrances, as more particularly set out in Schedule "A", Part 3.

- (nn) **"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 or produced in conjunction with any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur and hydrogen sulphide.
- (oo) **"Place of Closing"** means the offices of NEWCO in the City of Calgary in the Province of Alberta, or as otherwise agreed to in writing by the Parties.
- (pp) **"Prime Rate"** means the rate of interest (expressed as a rate per annum) used by the main branch of the National Bank in Calgary, Alberta from time to time as the reference rate used in determining the rates of interest payable on Canadian dollar commercial demand loans made by such bank in Canada and which is announced by such bank, from time to time, as its "prime rate".
- (qq) **"Purchase Price"** has the meaning given in Section 3.1.
- (rr) **"Release"** means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Hazardous Substance into or through the Environment or into or out of any lands, including the movement of a Hazardous Substance through or in any part of the Environment.
- (ss) **"Representatives"** means, with respect to any Party, the respective directors, officers, servants, agents, advisors, employees, consultants and representatives of that Party.
- (tt) **"Right of First Refusal" or "ROFR"** means a right of first refusal, pre-emptive right of purchase or similar right whereby any Third Party has the right to acquire or purchase any of the Assets as a consequence of the parties entering into this Agreement or the completion of the Transaction.
- (uu) **"ROFR Assets"** has the meaning set forth in Section 8.2(b).
- (vv) **"Seismic Data"** means all owned proprietary geophysical information, regardless of the form or medium in/on which it is displayed and which Vendor either owns or for which it has the right to grant licenses, and any existing related support documentation (including open file, non-exclusive reprocessed seismic data, processed seismic data, stack sections, field gathering tapes, surveying data, surveyor's notes, driller's notes and observer's notes).
- (ww) **"Surface Interests"** means all right, title, interest and estate of the Vendor to enter upon, use, occupy and enjoy the surface of the Lands, and any lands with which the same have been pooled or unitized, and any lands upon which the Wells or the Tangibles are located and any lands used to gain access thereto or egress therefrom, in each case, for purposes related to the use or ownership of the Petroleum and Natural Gas Rights, the Tangibles or Wells or Operations, whether the same are held in fee simple, under a surface lease, by right of way, easement, license of occupation or otherwise.
- (xx) **"Tangibles"** means, subject to the exclusion of the Excluded Assets, collectively, (i) all of the right, title, interest and estate of the Vendor in the Facilities; and (ii) all right, title, interest and estate of the Vendor and whether absolute or contingent, legal or beneficial, present or future, vested or not, in and to the tangible depreciable property and assets located within, upon, to the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, or make marketable Petroleum Substances or in connection with water condensate, injection or removal operations or other *in situ*

operations that pertain to the Petroleum and Natural Gas Rights, and including those assets listed in Schedule "A", Part 5.

- (yy) **"Third Party"** means any Person other than the Parties, their Affiliates or their respective Representatives.
- (zz) **"Title and Operating Documents"** means all agreements, contracts, instruments and other documents that govern the ownership, operation or use of the Assets or relate to Permitted Encumbrances, including (i) the Leases and other agreements and instruments pursuant to which the Petroleum and Natural Gas Rights were issued, granted or created, (ii) permits, licenses, approvals, orders and authorizations, (iii) operating agreements, pooling agreements, unit agreements, production allocation agreements, trust declarations, participation agreements, joint venture agreements, purchase and sale agreements, asset exchange agreements, farm-in agreements, farm-out agreements and royalty agreements, (iv) agreements that create or relate to Surface Interests, including surface rights documentation and road use agreements, (v) agreements for the construction, ownership and/or operation of the Tangibles and the Wells, (vi) trust declarations and other documents and instruments that evidence the Vendor's interests in the Assets, (vii) trust declarations pursuant to which the Vendor hold interests in the Lands in trust for other Persons, (viii) service agreements for the treating, gathering, storage, transportation or processing of Petroleum Substances or other substances, the injection or subsurface disposal of other substances, the use of well bores of the operation of any Tangibles or Wells by a Third Party, and (ix) agreements for the sale of Petroleum Substances that are terminable on 31 days' notice or less without early termination penalty or other cost; but notwithstanding the foregoing, excluding all of the foregoing to the extent relating to the Excluded Assets.
- (aaa) **"Transaction"** means the transaction for the purchase and sale of the Assets as contemplated by this Agreement.
- (bbb) **"Vendor Consents"** has the meaning provided in Section 8.1.
- (ccc) **"Vendor Entity"** means the Vendor and its Representatives, and each of their respective successors and assigns.
- (ddd) **"Wells"** means all producing, shut in, abandoned, suspended, capped, water source, service, observation, delineation, injection and disposal wells located on the or within the Lands or any lands pooled or unitized therewith, whether or not completed, as set out in Schedule A, Part 2, together with all well licenses relating thereto.

1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) the headings in this Agreement are inserted for convenience of reference only and shall not affect the meaning, interpretation or construction of this Agreement;
- (b) all documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict;
- (c) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, and all amendments made thereto and in force at the date hereof;

- (d) whenever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning plural or feminine or referring to a body politic or corporate, and *vice versa*, as the context requires;
- (e) the words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement;
- (f) reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified;
- (g) if any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict; and
- (h) "include" and derivatives thereof shall be read as if followed by the phrase "without limitation".

1.3 Schedules

The following schedules are attached to and form part of this Agreement:

| | |
|--------------|--|
| SCHEDULE "A" | |
| Part 1 | Lands, Leases, Permits and Petroleum and Natural Gas Rights |
| Part 2 | Wells |
| Part 3 | Pipelines |
| Part 4 | Facilities |
| SCHEDULE "B" | Form of General Conveyance |
| SCHEDULE "C" | Royalty Agreement |
| SCHEDULE "D" | ROFRs |

1.4 Interpretation If Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Assets shall be construed as having been contingent upon Closing having occurred.

1.5 Knowledge or Awareness

References to a Party's knowledge or awareness and similar references contained in Sections 10.1 and 10.3 mean the actual knowledge or awareness, as the case may be, of the officers of such Party who are primarily responsible for the matters in question, and does not include knowledge and awareness of any other Person or any other Person or any constructive or imputed knowledge. A Party shall not have any obligation to make inquiry of any Person or the files and records of any Person or of any Government Authority in connection with any representations and warranties contained herein that are made to its knowledge, information, belief or awareness.

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale

Subject to the terms and conditions of this Agreement, the Vendor hereby agrees to sell, assign, transfer, convey and set over the Assets to the Purchaser, and the Purchaser agrees to purchase and accept the Assets from the Vendor, at and for the Purchase Price.

2.2 Transfer of Assets

Provided that Closing occurs, and subject to the terms and conditions of this Agreement, possession, risk, beneficial and legal ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date.

2.3 Excluded Liabilities

The Purchaser shall not assume any liabilities or obligations of the Vendor other than as may be specifically provided in this Agreement.

ARTICLE 3
PURCHASE PRICE AND PAYMENT

3.1 Purchase Price

The purchase price is a combination of cash and shares, subject to adjustment only as set forth in Section 4.1 and Section 4.2 (the "Purchase Price"). The Purchase Price will be allocated in the following:

- (a) \$750,000 CON Cash payable upon execution of this Agreement, and
- (b) A 5% Gross Over Riding Royalty on all production on the Golden Spike lands that are attached to the Royalty Agreement and Schedule dated Oct. 30, 2018.

3.2 Allocation of the Purchase Price

The Purchase Price shall be allocated among the Assets as follows:

- (a) to the Petroleum and Natural Gas Rights 100% less \$10.00
- (b) to the Tangibles 0%
- (c) to the Miscellaneous Interests \$10.00

3.3 Deposit

The full Purchase Price will be due upon execution of this agreement and, as a result, no deposit shall be required. Closing shall occur concurrent with the execution of this agreement.

3.4 Closing Payment

The Purchaser shall pay to the Vendor at Closing, by certified cheque, bank draft or electronic wire transfer, the adjusted Purchase Price as set forth in the Interim Statement of Adjustments plus any taxes and fees (including GST) payable under Section 3.5 (the "Closing Payment").

3.4 Closing Payment

The Purchaser shall pay to the Vendor at Closing, by certified cheque, bank draft or electronic wire transfer, the adjusted Purchase Price as set forth in the Interim Statement of Adjustments plus any taxes and fees (including GST) payable under Section 3.5 (the "Closing Payment").

3.5 Taxes and Fees

- (a) The Purchase Price does not include GST. At Closing, the Purchaser shall pay to the Vendor an amount equal to the statutory rate of GST on the portion of the Purchase Price allocated to Tangibles and Miscellaneous Interests pursuant to Section 3.2 and on the amount attributable to any other Assets or expenses to which GST may apply. The Purchaser shall be liable for the payment and remittance of any additional amount of GST payable in respect of the purchase of the Assets pursuant hereto, including any interest, penalties, or any other costs payable in respect of such additional GST, and shall indemnify and save harmless the Vendor in respect thereof. The GST Registration Number of FREE REIN RESOURCES LTD. is _____. The GST Registration Number of the Vendor is 862716123RT0001.
- (b) The Purchaser shall also be liable for and shall pay any and all land transfer taxes, federal or provincial sales taxes and all other taxes, duties or other similar charges properly payable upon and in connection with the conveyance and transfer of the Assets by the Vendor to the Purchaser and the Purchaser shall be responsible for all recording charges and registration fees payable in connection therewith.
- (c) The Parties agree to make such elections (including, without limitation, with respect to GST or Taxes) as prudent and available to minimize taxes payable as a result of the Transaction. Purchaser, acting reasonably, shall prepare, and each Party agrees to execute and file, any such elections in the form and within the time periods prescribed or specified under Applicable Laws.

ARTICLE 4 ADJUSTMENTS

4.1 Adjustments

- (a) All costs and revenues accruing, payable, paid, received or receivable in respect of the Assets, including rentals, maintenance, development, capital and operating costs, advances, and payments with respect to Permitted Encumbrances shall be apportioned between the Vendor and the Purchaser on an accrual basis in accordance with GAAP as of the Effective Time, on and subject to the following:
 - (i) except as otherwise provided in this Section 4.1, all such costs and revenues accruing up to the Effective Time shall be for the account of the Vendor and all such costs and revenues accruing after the Effective Time shall be for the account of the Purchaser;
 - (ii) all such revenues accruing up to the Effective Time shall be for the Vendor's account, regardless of whether such revenues are received or receivable prior to or after the Effective Date, and Purchaser shall hold in trust for, on behalf of and pay to the Vendor any such revenues received by the Purchaser, and all such revenues accruing after the Effective Time shall be for the Purchaser's account, regardless of whether such revenues are received or receivable prior to or after the Effective Date, and Vendor shall hold in trust for, on behalf of and pay to the Purchaser any such revenues received by the Vendor;

- (iii) all costs of whatever nature that pertain to work performed or goods or services provided with respect to the Assets prior to the Effective Time, shall be borne by the Vendor, and all costs of whatever nature that pertain to work performed or goods or services provided with respect to the Assets after the Effective Time, shall be borne by the Purchaser;
 - (iv) all rentals, property taxes and other periodic payments (other than income taxes) shall be apportioned between the Vendor and the Purchaser on a *per diem* basis as of the Effective Time, provided that (a) all such rentals, property taxes and other periodic payments accruing up to the Effective Time shall be for the Vendor's account, and (b) all such rentals, property taxes and other periodic payments accruing after the Effective Time shall be for the Purchaser's account; and
 - (v) there shall not be any adjustment on account of income taxes.
- (b) All adjustments to be made pursuant to this Section 4.1 shall be allocated to the Petroleum and Natural Gas Rights.

4.2 Statement of Adjustments

- (a) The Vendor shall carry out an accounting and adjustment and prepare and deliver to the Purchaser at least three (3) Business Days prior to the Closing Date a statement setting forth the Vendor's good faith estimate of all adjustments to be made for the Transaction (the "**Interim Statement of Adjustments**") in accordance with the foregoing Section 4.1. Vendor shall make available to Purchaser all information reasonably necessary for Purchaser to understand and confirm the calculations in that statement.
- (b) Within ninety (90) days following the Closing Date, the Vendor shall prepare and deliver, and the Purchaser shall cooperate in preparing, a final statement of all adjustments and payments ("**Final Statement of Adjustments**"), on the basis of the information available within that period, to be made pursuant to Section 4.1 including any settlement payment required to be made by either Party as a result of differences between the Final Statement of Adjustments and the Interim Statement of Adjustments.
- (c) During the thirty (30) days following receipt by the Purchaser of the Final Statement of Adjustments, either Party may audit the books, records and accounts of the other Party and their successors and assigns respecting the Assets and Final Statement of Adjustments, for the purpose of confirming settlement payments pursuant to this Section. Such audit shall be conducted upon reasonable notice to the other Party at the non-auditing Party's offices during normal business hours, and shall be conducted at the sole expense of the auditing Party. Any claims or discrepancies disclosed by such audit shall be made in writing to the other Party within thirty (30) days following the receipt by the Purchaser of the Final Statement of Adjustments, if a proposed change is disputed by the other Party and the Parties fail to resolve the dispute within 10 days after receipt of such notice of a claim or discrepancy, then an Accounting Firm shall be immediately engaged by the Parties to resolve the dispute and the Accounting Firm shall be requested to render its decision without qualifications other than the usual qualifications relating to engagements of this nature, within 14 days after the dispute is referred to it. The decision of the Accounting Firm shall be final and binding upon the Parties and shall not be subject to appeal by either Party. Each of Vendor and Purchaser shall be responsible for and shall pay 50% of the fees and expenses of the Accounting Firm.
- (d) All adjustments shall be settled by the prompt payment by any Party obliged to make payment pursuant to this Agreement. Interest at the Prime Rate plus one percent per annum shall be paid on any settlement payment which remains unpaid by one Party to the

other Party when due, with such interest accruing from the date such amount is due to the date payment is made.

- (e) Subject only to this Section 4.2, the Final Statement of Adjustments shall constitute the final accounting between the Parties in respect of costs and revenues accruing, payable, paid, received or receivable in respect of the Assets, shall be binding on the Parties and shall not be subject to dispute. For certainty, notwithstanding any other provision in this Agreement, save pursuant to the Final Statement of Adjustments, there shall be no further adjustments made between the Parties in respect of any costs or revenues accruing, payable, paid, received or receivable in respect of the Assets, including rentals, maintenance, development, capital and operating costs, advances, and payments with respect to Permitted Encumbrances, including, but not limited to, any costs or revenues that are disclosed or adjusted as a consequence of any subsequent joint venture audits, royalty adjustments or similar audit or adjustment procedures pursuant to the Title and Operating Documents or Applicable Law.
- (f) Subject to Section 4.2(c), the Purchaser and the Vendor will each bear their own fees and expenses, including the fees and expenses of their respective accountants and auditors, in preparing or reviewing, as the case may be, the Final Statement of Adjustments.

ARTICLE 5 CLOSING

5.1 Closing

The Closing of the Transaction shall take place on November 30, 2018 (the "Closing Date") at the Place of Closing or such other place as the Parties may agree.

ARTICLE 6 INTERIM PROVISIONS

6.1 Assets to be Maintained

Until the Closing Date, the Vendor shall, subject to the Title and Operating Documents:

- (a) cause the Assets to be operated and maintained in a proper and prudent manner in accordance with generally accepted industry practices and all Applicable Laws;
- (b) pay or cause to be paid all costs and expenses relating to the Assets which become due prior to the Closing Date; and
- (c) perform and comply in all material respects with the covenants and conditions contained in the Title and Operating Documents to be performed or complied with by the Vendor prior to Closing.

6.2 Restrictions on Conduct of Business

The Vendor shall not, between the date of this Agreement and the Closing Date, without the written consent of the Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed:

- (a) make any commitment or propose, initiate or authorize any capital expenditure out of the ordinary course of business with respect to the Assets, of which the Vendor's share is in excess of \$25,000, except in the case of an emergency or as may be reasonably necessary to protect or ensure life and safety or to preserve the Assets or title to the Assets (including

Lease rental payments) or in respect of amounts which the Vendor may be committed to expend or be deemed to authorize for expenditure without its consent;

- (b) other than in the ordinary course of business, materially amend or terminate any agreement or instrument relating to the Assets or enter into any new agreement or commitment relating to the Assets, except as may be reasonably necessary to protect or ensure life and safety or to preserve the Assets or title to the Assets;
- (c) surrender or abandon any of the Assets, unless an expenditure of money is required to avoid the surrender or abandonment and the Purchaser does not provide same in a timely fashion, in which event the Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price;
- (d) sell, transfer, assign, encumber or otherwise dispose of any of the Assets or any interest therein; or
- (e) exercise any right or option of the Vendor relative to or arising as a result of the ownership of the Assets.

6.3 Following Closing

- (a) Following Closing, Vendor shall hold title to the Assets in trust for Purchaser, as bare legal trustee, until all necessary notifications, registrations and other steps required to transfer such title to Purchaser have been completed and, in furtherance thereof:
 - (i) the Vendor shall forward all statements, notices and other information received by it pursuant to such Title and Operating Document that pertains to the Assets to Purchaser promptly following its receipt thereof; and
 - (ii) the Vendor shall forward to other parties to the Title and Operating Documents such notices and elections pursuant to such Title and Operating Documents pertaining to the Assets as Purchaser may reasonably request;

provided that the Vendor shall not be required to initiate or conduct Operations in relation to the Assets.

- (b) Purchaser shall indemnify and save and hold harmless the Vendor Entity from and against all Losses and Liabilities arising as a consequence of the provisions of this Section 6.3, except to the extent caused by the gross negligence or wilful misconduct of the Vendor Entity. Acts or omissions taken by the Vendor Entity on the instructions of, or with the express written approval of the Purchaser shall not constitute gross negligence or wilful misconduct.

ARTICLE 7 ACCESS TO INFORMATION AND RECORDS

7.1 Technical and Operating Information

The Vendor shall, upon request and subject to contractual restrictions relating to disclosure, make available all technical data relating to the Assets (including, as may be available, seismic data, drilling reports, land files, surface disposition files, environmental files, well files and production records, but excluding data and information which are subject to confidentiality restrictions prohibiting their disclosure) as are in the possession or control of the Vendor or the Vendor for such inspection as the Purchaser reasonably requires

In connection herewith. Upon reasonable written notice to the Vendor the Purchaser shall be entitled to conduct a field inspection of the Lands.

7.2 No Right to Reduction in Purchase Price

Notwithstanding anything to the contrary in this Agreement, the Purchaser acknowledges and agrees that it shall have no right or other entitlement to any abatement or reduction in the Purchase Price as a result of, arising from or in connection with any deficiency or allegation of deficiency in respect of the Assets, including, without limitation, any Environmental Liability or deficiency or title deficiency, whether identified in connection with the Purchaser's right to Information as provided by Section 7.1 or otherwise.

7.3 Access to Records

The Vendor may, at its sole expense, for a period of two (2) years after Closing, request from the Purchaser copies or photocopies of any Title and Operating Documents, correspondence, documents, records, policies, manuals, reports, or other proprietary, confidential business or technical information which were delivered to the Purchaser at Closing by the Vendor and which the Vendor reasonably requires. The Purchaser shall use reasonable commercial efforts to provide the Vendor with the requested documentation.

ARTICLE 8 THIRD PARTY CONSENTS AND RIGHTS OF FIRST REFUSAL

8.1 Consents

The Vendor shall, forthwith upon execution of this Agreement, use commercially reasonable efforts to:

- (a) identify and request in writing all necessary consents, permissions and approvals by Third Parties and Government Authorities in connection with the Transaction customarily obtained by a vendor prior to Closing (the "**Vendor Consents**"); and
- (b) provide prior written notice to all Third Parties and Government Authorities in sufficient time to allow any Vendor Consents having an expiry period to expire (if not refused) prior to the Closing Date.

8.2 Rights of First Refusal

- (a) Within three (3) Business Days from the date hereof, the Purchaser, acting reasonably and in good faith, shall provide the Vendor with its allocated values for the Assets which are subject to Rights of First Refusal. Promptly after such allocations are provided to the Vendor, it shall send notices to the Persons (including the Purchaser, if applicable) holding such Rights of First Refusal in accordance with the Title and Operating Documents creating them, using such values provided by the Purchaser. Purchaser shall be liable for and indemnify and save Vendor harmless from and against all Losses and Liabilities which the Vendor may suffer, sustain, pay or incur as a result of utilizing any value allocations supplied by the Purchaser.
- (b) If any Third Party elects to exercise any Rights of First Refusal, the portion of the Assets subject to such Rights of First Refusal (the "**ROFR Assets**") shall not be sold pursuant hereto, and the definitions of "Assets", "Lands", "Leases", "Miscellaneous Interests", "Petroleum and Natural Gas Rights", "Facilities", "Tangibles" and "Wells" shall not include the ROFR Assets. The Purchase Price and any applicable GST and/or sales taxes shall be reduced accordingly.

**ARTICLE 9
CONDITIONS PRECEDENT TO CLOSING**

9.1 Vendor's Closing Conditions

The obligation of the Vendor to complete the sale of the Assets pursuant to this Agreement is subject to the satisfaction at or prior to the Closing Date of the following conditions precedent:

- (a) **Representations and Warranties True:** All representations and warranties of the Purchaser contained in this Agreement shall be true in all material respects as of the date of this Agreement and as of the Closing Date, and the Vendor shall have received a certificate from an officer of the Purchaser substantially in the form attached hereto as Schedule "C" dated as of the Closing Date;
- (b) **Purchaser's Obligations:** The Purchaser shall have, in all material respects, timely performed and satisfied all obligations and covenants required by this Agreement to be performed and satisfied by the Purchaser on or prior to the Closing Date;
- (c) **Conveyance Documents:** The Purchaser shall have executed and delivered to the Vendor all Conveyance Documents required under Section 12.1(a) and the General Conveyance;
- (d) **Restrictions:** All Vendor Consents, as well as all necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions;
- (e) **No Injunction:** There will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction; and

The foregoing conditions shall be for the benefit of the Vendor and may, without prejudice to any of the rights of the Vendor hereunder excluding reliance on or enforcement of any representations, warranties or covenants dealing with the subject of or similar to the condition waived, be waived by it in writing, in whole or in part, at any time. The Vendor shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions in case any of the said conditions shall not be complied with, or waived by the Vendor, at or before the Closing Date, the Vendor may terminate this Agreement by written notice to the Purchaser and the Deposit shall be governed by Section 3.3.

9.2 Purchaser's Closing Conditions

The obligation of the Purchaser to complete the purchase of the Assets pursuant to this Agreement is subject to the satisfaction, at or prior to the Closing Date, of the following conditions precedent:

- (a) **Representations and Warranties True:** All representations and warranties of the Vendor contained in this Agreement shall be true in all material respects as of the date of this Agreement and as of the Closing Date;

- (b) **Vendor's Obligations:** The Vendor shall have, in all material respects, timely performed and satisfied all obligations and covenants required by this Agreement to be performed and satisfied by the Vendor (and shall have caused the Vendor to perform and satisfy in a timely manner all of its obligations hereunder) on or prior to the Closing Date;
- (c) **Conveyance Documents:** The Vendor shall have executed and delivered to the Purchaser all Conveyance Documents required under Section 12.1(a) and the General Conveyance;
- (d) **Restrictions:** All Vendor Consents, as well as all necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions;
- (e) **No Injunction:** There will not be any judicial restraining order or Injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction; and

The foregoing conditions shall be for the benefit of the Purchaser and may, without prejudice to any of the rights of the Purchaser hereunder (excluding reliance on or enforcement of any representations, warranties or covenants dealing with the subject of or similar to the condition waived), be waived by it by notice to the Vendor in writing, in whole or in part, at any time. The Purchaser shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions. In case any of the said conditions shall not be complied with, or waived by the Purchaser at or before the Closing Date, the Purchaser may terminate this Agreement by written notice to the Vendor and the Deposit shall be governed by Section 3.3.

9.3 Parties to Exercise Diligence and Good Faith with respect to Conditions

Each Party covenants to the other that it will proceed diligently, honestly, and in good faith, and use commercially reasonable efforts with respect to all matters within its reasonable control to satisfy its respective conditions in Sections 9.1 and 9.2.

ARTICLE 10 REPRESENTATIONS AND WARRANTIES

10.1 Vendor's Representations and Warranties

The Vendor hereby represents and warrants to the Purchaser that:

- (a) the Vendor has good right, full power and absolute authority to enter into this Agreement and the other documents and agreements executed and delivered hereunder and to sell, assign, transfer, convey and set over the interest of the Vendor in and to the Assets;
- (b) Neither the Vendor or the Purchaser have, as at the date hereof, received notice of any Claims in existence, contemplated, pending or threatened against them seeking to prevent the consummation of the Transaction;

This Agreement has been and all documents and agreements to be executed and delivered by the Vendor at Closing pursuant to this Agreement shall be, duly executed and delivered by it; and

Upon execution by the Purchaser and the Vendor, this Agreement constitutes, and all documents and agreements required to be executed and delivered by the Vendor at Closing will constitute, legal, valid and binding obligations of the Vendor enforceable against the Vendor in accordance with their respective terms;

10.2 No Additional Representations and Warranties by the Vendor

- (a) Notwithstanding anything to the contrary in this Agreement, the Vendor makes no representations or warranties except as expressly set forth in Section 10.1 and in particular, and without limiting the generality of the foregoing, the Vendor disclaims and shall not be liable for any representation or warranty express or implied, of any kind, at law or in equity, which may have been made or alleged to be made in any instrument or document relative hereto, or in any statement or information made or communicated to the Purchaser in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Vendor, or their Representatives in connection with the Assets or in relation to the Transaction. For greater certainty, the Vendor makes no representation or warranty, express or implied, of any kind, at law or in equity, with respect to:
- (i) the accuracy or completeness of the Data Room information or any other data or information supplied by the Vendor or the Vendor or any of its Representatives in connection with the Assets;
 - (ii) the quality, quantity or recoverability of any Petroleum Substances with or under the Lands;
 - (iii) the value of the Assets or any estimates of prices or future cash flows arising from the sale of any Petroleum Substances produced from or allocated to the Assets or the Lands or any estimates of other revenues or expenses attributable to the Assets;
 - (iv) the availability or continued availability of facilities, services or markets for the processing, transportation or sale of any Petroleum Substances;
 - (v) the ability of the Purchaser to obtain any necessary approval from any Government Authority in order for the Purchaser to operate the Assets;
 - (vi) the quality, condition, fitness, suitability, serviceability or merchantability of any of the Tangibles; or
 - (vii) the title of the Assets.

The Purchaser acknowledges and confirms that it is relying on its own investigations concerning the Assets and it has not relied on advice from the Vendor or any of its Representatives with respect to the matters specifically enumerated in the immediately preceding paragraphs in connection with the purchase of the Assets pursuant hereto. The Purchaser further acknowledges and agrees that it is acquiring the Assets on an "as is, where is" and "without recourse" basis. The Purchaser acknowledges and agrees that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Assets, except as expressly contained in Section 10.1 of this Agreement.

- (b) Except for its express rights under this Agreement and as expressly contained in Section 10.1 of this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all equitable, common law, tort, contractual and statutory rights and remedies) against the Vendor or Vendor Entity in respect of the Assets

or the Transaction or any representations or statements made, direct or indirect, express or implied, or information or data furnished to the Purchaser or its Representatives, in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means).

10.3 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it is and at the Closing Date shall continue to be a valid and subsisting corporation under the laws of its jurisdiction of registration and is authorized to carry out business in the jurisdiction where the Assets are located;
- (b) it has taken all action and has full power and absolute authority to enter into this Agreement and the other documents and agreements executed and delivered hereunder and it has taken all necessary action to consummate the Transaction and to perform its obligations hereunder and the other documents and agreements executed and delivered hereunder;
- (c) It has not incurred any obligation or liability, contingent or otherwise, for broker's or finder's fees in respect of the Transaction for which the Vendor or the Vendor shall have any obligations or liability;
- (d) It has not received notice of any Claims in existence, contemplated, pending or threatened against it seeking to prevent the consummation of the Transaction;
- (e) this Agreement has been, and all documents and agreements to be executed and delivered by it at Closing pursuant to this Agreement shall be, duly executed and delivered by it, and upon execution by the Vendor and it, this Agreement constitutes, and all documents and agreements required to be executed and delivered by it at Closing will constitute legal, valid and binding obligations of it enforceable against it in accordance with their respective terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally and the discretionary nature of equitable remedies and defences;
- (f) to its knowledge, no authorization or approval or other action by, and no notice to or filing with, any Government Authority exercising jurisdiction over the Assets is required by it or on its behalf for the due execution and delivery of this Agreement;
- (g) the consummation of the Transaction will not constitute or result in a material violation, breach or default by it under any provision of any agreement or instrument to which it is a party or by which it is bound or any judgment, law, decree, order or ruling applicable to it;
- (h) it has sufficient funds available to it to enable it to pay in full the Purchase Price to the Vendor as herein provided and otherwise to fully perform its obligations under this Agreement;
- (i) the Purchaser is not a non-resident of Canada for the purposes of the *Investment Canada Act* (Canada).

10.4 Enforcement of Representations and Warranties

- (a) Notwithstanding anything to the contrary herein expressed or implied and notwithstanding the Closing or deliveries of covenants and/or representations and warranties in any other agreements at Closing or prior or subsequent thereto, the representations and warranties

set forth in Article 10 and all certificates, documents and agreements delivered pursuant to this Agreement shall survive Closing, provided that no Claim in respect of such representations and warranties shall be made or be enforceable unless written notice of such Claim, if provided by the Vendor to the Purchaser, is given within twelve (12) months of the Closing Date. In respect of the Purchaser, effective on the expiry of such twelve (12) month period, the Vendor hereby releases and forever discharges the Purchaser from any breach of any representations and warranties set forth in Article 10 hereof and all certificates, documents and agreements delivered pursuant to this Agreement, except in respect of those Claims in which notice has been given in accordance with this Section 10.4.

- (b) There shall not be any merger of any covenant, representation or warranty in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived; and
- (c) The representations and warranties of the Vendor and the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Purchaser or the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.

ARTICLE 11 CLOSING DELIVERIES

11.1 Vendor Closing Deliveries

At Closing, the Vendor shall table the following:

- (a) a copy of the Interim Statement of Adjustments;
- (b) a receipt for the Closing Payment duly executed by the Vendor;
- (c) the General Conveyance, fully executed by the Vendor; and
- (d) the Conveyance Documents, to the extent delivered by the Purchaser on or by the Closing Date in accordance with Section 12.1(a), fully executed by the Vendor.

11.2 Purchaser's Closing Deliveries

At Closing, Purchaser shall table the following:

- (a) the Closing Payment;
- (b) a duly executed certificate of a senior officer of Purchaser substantially in the form attached hereto as Schedule "C" dated as of the Closing Date;
- (c) the General Conveyance, fully executed by Purchaser; and
- (d) the Conveyance Documents, to the extent prepared on or by the Closing Date in accordance with Section 12.1(a), fully executed by the Purchaser.

11.3 Deliveries

Vendor shall deliver or cause to be delivered to Purchaser within a reasonable period of time, but in any event, no later than 30 days following Closing, the original copies of the Title and Operating Documents

and any other agreements and documents in its possession related to the Assets and the original copies of contracts, agreements, records, books, documents, licenses, reports and data included in the Miscellaneous Interests which are now in the possession of Vendor. Notwithstanding the foregoing, if and to the extent such contracts, agreements, records, books, documents, licenses, reports and data also pertain to a greater degree to interests other than the Assets, at Vendor's expense, photocopies or other copies may be provided to Purchaser in lieu of original copies.

ARTICLE 12 CONVEYANCES AND TRANSFER

12.1 Conveyances

- (a) The Purchaser shall provide at the Closing Date those Conveyance Documents required to acquire the Vendor's interest in any Assets purchased herein, but no such documents shall require the Vendor to assume or incur any obligation, or to provide any representation or warranty, beyond that contained in this Agreement. The Vendor shall not be required to have such documents signed by Third Parties at or before the Closing Date but shall cooperate with the Purchaser as reasonably required to secure execution of such documents by such Third Parties as soon as practicable thereafter. The Vendor shall execute and promptly return to the Purchaser at least one copy of each such document and the Purchaser shall use all reasonable efforts to obtain timely execution and return of such documents by Third Parties wherever required. The Parties agree that certain assignments may be in the form of electronic transfers including Alberta Energy Regulator well license transfers and agree that reasonable efforts shall be made to ensure such assignments will be completed on the Closing Date.
- (b) The Purchaser shall promptly register in the applicable registry all registrable transfers and conveyances of its interests in the Assets and the Vendor shall make application to all applicable Government Authorities to change the recorded name of all Wells and Tangibles forming part of the Assets. All costs, fees and deposits of every nature and kind incurred in distributing and registering any Conveyance Document and in providing any assurances or security required to convey, transfer and assign the Assets to Purchaser, and to have Purchaser recognized as the holder thereof shall be borne by the Purchaser. In the event that Vendor has incurred any Third Party or out of pocket expenses or fees as a result of the cost of distribution and registration of any Conveyances, or in any way related to the conveyance, assignment or transfer of the Assets to Purchaser, such amounts shall be adjusted between the Parties in the Final Statement of Adjustments.

12.2 License and Authorization Transfers

- (a) On or before the Closing Date, the Purchaser shall communicate with the relevant Government Authority to determine all conditions and deposits which the relevant Government Authority will require in order for the relevant Government Authority to approve the transfer by the Vendor to the Purchaser of any and all licenses and authorizations for the Wells and any Tangibles licensed to the Vendor, and shall advise the Vendor in writing of such conditions and required deposits. In such case, on or before Closing, the Purchaser shall satisfy the deposit requirements of the relevant Government Authority in order to approve any of those license and authorization transfers to the Purchaser. The Purchaser further covenants to comply with all conditions imposed by the relevant Government Authority in respect of such transfers;
- (b) Within five (5) Business Days following Closing, the Vendor shall prepare and electronically submit an application to the relevant Government Authority for the transfer of any Wells and any Tangibles held in the name of the Vendor and the Purchaser shall promptly

execute and return such applications to such Vendor for registration in accordance with Section 12.1(b);

- (c) Should the relevant Government Authority deny any license transfer because of misdescription or other minor deficiencies in the application, the Vendor shall, within two (2) Business Days, correct the application and amend and re-submit an application for the license transfers and the Purchaser shall electronically ratify and sign such application; and
- (d) After Closing, whether or not the Purchaser requested prior determination of the relevant Government Authority transfer conditions under Section 12.2, if for any reason the relevant Government Authority requires the Purchaser to make a deposit in order to approve the license or authorization transfer, the Purchaser shall and covenants to immediately make such deposit.

ARTICLE 13 LIABILITIES AND INDEMNITIES

13.1 General Indemnity

If Closing occurs the Purchaser shall, without any further necessary action on the part of the Vendor or the Purchaser:

- (a) assume, perform, pay, discharge and be liable to the Vendor for; and
- (b) as a separate covenant, save and hold harmless and indemnify the Vendor and each other Vendor Entity from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by any of them to the extent arising or accruing on or after the Effective Time and which relate to the Assets or the terms and conditions of the Title and Operating Documents, including but not limited to all Losses and Liabilities attributable to the operation, ownership, use, construction or maintenance of the Assets arising or accruing on or after the Effective Time. The Purchaser's indemnity obligation set forth in this Section 13.1 shall survive the Closing Date indefinitely.

13.2 Environmental Indemnity

- (a) The Purchaser acknowledges that it:
 - (i) is familiar with the condition of the Assets, including the past and present use of the Assets, and it has been provided with the right and the opportunity to conduct due diligence investigations with respect to existing or potential Environmental Liabilities pertaining to the Assets; and
 - (ii) is not relying upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Assets except as outlined in Section 10.1.
- (b) The Purchaser agrees that once Closing has occurred the Vendor shall have no liability whatsoever for any Environmental Liabilities. In this regard, once Closing has occurred, the Purchaser shall, without any further necessary action on the part of the Vendor or the Purchaser:
 - (i) be solely liable and responsible for all of the Vendor's Losses and Liabilities; and

- (ii) as a separate covenant, indemnify, save and hold the Vendor, the Vendor and each other Vendor Entity, harmless from and against all Losses and Liabilities that may be brought against or which they or any one of them may suffer, sustain, pay or incur;

as a result of any act, omission, matter or thing related to any Environmental Liabilities arising, however and whenever arising or occurring, and the Purchaser shall assume, perform, pay and discharge all Environmental Liabilities. This liability and indemnity shall apply without limit and without regard to cause or causes, including the negligence, whether sole, concurrent, gross, active, passive, primary or secondary, or the wilful or wanton misconduct of the Vendor or the Purchaser or any other person or otherwise. The Purchaser acknowledges and agrees that it shall not be entitled to any rights or remedies as against the Vendor, Vendor or any Vendor Entity under the common law or statute pertaining to any Environmental Liabilities, including the right to name the Vendor, Vendor or any Vendor Entity as a 'third party' to any action commenced by any Person against the Purchaser. The Purchaser's indemnity obligation set forth in this Section 13.2(b) shall survive the Closing Date indefinitely.

13.3 No Merger

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

13.4 Holding of Indemnities

The Vendor will hold the indemnities contained in Sections 13.1 and 13.2 in trust on behalf of all of the other Vendor Entities and may enforce the same on their behalf.

ARTICLE 14 TERMINATION

14.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing;

- (a) by mutual written agreement of the Vendor and the Purchaser;
- (b) by either the Vendor or the Purchaser pursuant to the provisions of Articles 9.1 or 9.2, as applicable; or

14.2 Effect of Termination

If this Agreement is terminated by the Vendor or the Purchaser as permitted under Section 14.1, then Article 15 and Section 20.2 shall remain in full force and effect following any such permitted termination, and the remedies available to the Parties in respect of such termination shall be governed by Section 3.3, if applicable.

ARTICLE 15 CONFIDENTIALITY, PUBLIC ANNOUNCEMENTS AND SIGNS

15.1 Confidentiality

Each Party agrees to keep in strict confidence:

- (a) subject to Section 15.2, all information regarding the terms of this Agreement; and
- (b) any information exchanged or received in connection with:
 - (i) the performance of due diligence by the Purchaser prior to or after the date hereof (including due diligence conducted under or in connection with this Agreement); or
 - (ii) negotiation or drafting of this Agreement;

15.2 Public Announcements

- (a) If a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction post-Closing, the disclosing Party shall provide the other Party with an advance copy of any such press release or other public disclosure with sufficient time to enable the other Party to review such press release or other public disclosure and provide its written consent to such press release or other public disclosure, not to be unreasonably withheld.
- (b) Notwithstanding Section 15.1 or 15.2(a), a Party may release or provide information about the Transaction insofar as is required by Applicable Laws or stock exchange requirements applicable to the disclosing Party; provided that such disclosing Party shall make reasonable commercial efforts to provide the other Party with the details of the nature and substance of such required disclosure as soon as practicable and in any event prior to such disclosure. A Party may provide information about the Transaction to a bank or other financial institution to obtain financing on any required consent of the bank or other financial lender of such Party. A Party may also disclose such information pertaining to this Agreement, including the identity of the Parties, insofar as is required to enable such Party to fulfill its obligations under this Agreement, including obtaining any approvals or consents to the Transaction required from Government Authorities or Third Parties.

15.3 Signs

Within one hundred and eighty (90) days following the Closing Date, the Purchaser shall remove the names of the Vendor, the Vendor and predecessors from all signs located at or near the Wells or any Tangibles. If the Purchaser fails to comply with the foregoing, the Vendor shall have the right, at its discretion, to remove its name as aforesaid and the Purchaser shall be responsible for and shall reimburse such Vendor for all reasonable costs incurred by such Vendor in so doing.

ARTICLE 16 GOVERNING LAW AND DISPUTE RESOLUTION

16.1 Governing Law

This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta and to the laws of Canada applicable therein.

16.2 Resolution of Disputes

- (a) Subject to Section 4.2(c), each Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Court, and waives any defences it might have regarding jurisdiction in any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party, or for recognition or enforcement of any judgment in respect thereof, and each Party hereto hereby irrevocably

and unconditionally agrees that all Claims in respect of any such action or proceeding may be heard and determined by the Court.

- (b) Subject to Section 4.2(c), each Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party in any court of competent jurisdiction in the Province of Alberta. Each of the Parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

ARTICLE 17 NOTICES

17.1 Service of Notices

The addresses for service of the Parties shall be as follows:

| | |
|----------------|--|
| the Vendor: | Newgrange Energy Inc. 3600, 700 – 2 nd Street SW Calgary, Alberta T2P 2W3 |
| | Attention: Mr. Terry McCallum, President Email: terry@newgrangeenergy.com |
| the Purchaser: | Free Rein Resources Ltd. 205, 625 – 11 th Ave SW Calgary, Alberta T2R 0E1 |
| | Attention: Edward Jakubowsky Email: ejcactus@telusplanet.net |

Any of the Parties may from time to time change its address for service herein by giving written notice to the other. Any notice may be served by personal service upon the above person specified by a Party, or if no person is specified, upon any officer of a Party, by mailing the same by prepaid post in a properly addressed envelope addressed to the Party at its respective address for service hereunder, or by email to such Party at the email address specified hereunder. Any notice personally served upon an office or the person specified by a Party, as the case may be, shall be deemed to be given on the date of such service, any notice served by mail shall be deemed to be given to and received by the addressee on the fourth Business Day, after the mailing thereof and any notice given by email shall be deemed to be given and received on the day when it is sent, if it is sent during normal business hours (8:00 a.m. to 4:00 p.m.) and, otherwise, on the next following normal Business Day. No notices shall be served by mail during times of interruption or threat of interruption of mail service due to strikes, lockout or other causes.

ARTICLE 18 PERSONAL INFORMATION

18.1 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained by the Purchaser in connection with the Transaction only for those purposes for which it was initially collected from or in respect of the

Individual to which such information relates or as otherwise permitted or authorized by Applicable Law. The Purchaser's obligations set forth in this Section 18.1 shall survive the Closing Date indefinitely.

ARTICLE 19 ASSIGNMENT

19.1 Assignment

- (a) Neither Party may assign their interest in or under this Agreement or to the Assets prior to Closing without the prior written consent of the other Party, which consent may be withheld in such other Party's sole and unfettered discretion.
- (b) No assignment, transfer, or other disposition of this Agreement or the Assets or any portion of the Assets shall relieve the Purchaser from its obligations to the Vendor herein. The Vendor shall have the option to claim performance or payment of the obligations from the Purchaser or the assignee or transferee, and to bring proceedings in the event of default against either or all of them, provided that nothing herein shall entitle the Vendor to receive duplicate performance or payment of the same obligation.

ARTICLE 20 MISCELLANEOUS

20.1 Remedies Cumulative

No failure on the part of any Party to exercise any right or remedy will operate as a waiver thereof. A Party will not be precluded from exercising any right available to it at law, equity or by statute because of its exercise of any single or partial right, and a Party may exercise any such remedies independently or in combination.

20.2 Costs

Except as otherwise specified in this Agreement, each Party shall pay its respective costs incurred in connection with the preparation, negotiation and execution of this Agreement and the consummation of the Transaction.

20.3 No Waiver

No waiver by any Party of any breach of any of the terms, conditions, representations or warranties in this Agreement shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

20.4 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and the Parties agree and confirm that this Agreement cancels and supersedes any prior understandings and agreements between the Parties hereto with respect to the subject matter hereof. No modification of or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the Parties.

20.5 Further Assurances

From time to time, as and when reasonably requested by the other Party, a Party shall execute and deliver or cause to be executed and delivered all such documents and instruments and shall take or cause to be

taken all such further or other actions to implement or give effect to the Transaction, provided such documents, instruments or actions are consistent with the provisions of this Agreement. All such further documents, instruments or actions shall be delivered or taken at no additional consideration other than reimbursement of any expenses reasonably incurred by the Party providing such further documents or instruments or performing such further acts, by the Party at whose request such documents or instruments were delivered or acts performed.

20.6 Time of the Essence

Time shall be of the essence in this Agreement.

20.7 Enurement

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective heirs, executors, successors and permitted assigns.

20.8 Severability

In the 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.

20.9 Counterpart Execution

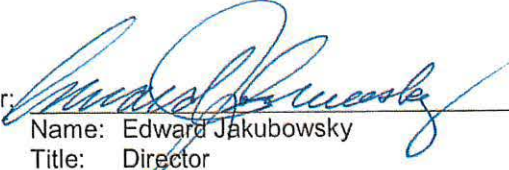
This Agreement may be executed in counterpart and all executed counterparts together shall constitute one agreement. This Agreement shall not be binding upon any Party unless and until executed by all Parties.

20.10 Electronic Execution


Delivery of an executed signature page to this Agreement by any Party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by any Party.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written

FREE REIN RESOURCES LTD.

Per: 
Name: Edward Jakubowsky
Title: Director

NEWGRANGE ENERGY INC., a body corporate
in the city of Calgary in the province of Alberta

Per: 
Name: Terry McCallum
Title: President

This is the execution page to the Asset Purchase Agreement dated effective November 1, 2018 between Free Rein Resources Ltd. and Newgrange Energy Inc.

SCHEDULE "A"

Attached to and made a part of that Asset Purchase Agreement effective November 1, 2018.

Part 1 - Lands, Leases, Permits and Petroleum and Natural Gas Rights

| Crown Agreement Number | Lands | WI Owner | Rights | Ownership | ROFR | Encumbrances* |
|-------------------------------|-----------------|-----------------|--|------------------|-------------|--|
| 22254 | 22-51-27 W4M | Newgrange | All PNG from Surface to Top Leduc | 100% | No | Newgrange 5% Royalty (attached hereto as Schedule "C") |
| 22254 | 23-51-27 W4M | Newgrange | All PNG from Surface to Top Leduc | 100% | No | Newgrange 5% Royalty (attached hereto as Schedule "C") |
| 22254 | 26-51-27 W4M | Newgrange | All PNG from Surface to Top Leduc | 100% | No | Newgrange 5% Royalty (attached hereto as Schedule "C") |
| 22254 | 27-51-27 W4M | Newgrange | All PNG from Surface to Top Leduc | 100% | No | Newgrange 5% Royalty (attached hereto as Schedule "C") |
| 39143 | NW 35-51-27 W4M | Newgrange | All PNG from Surface to Base Mannville (excluding PNG in Basal Quartz) | 5% | Yes* | Newgrange 5% Royalty (attached hereto as Schedule "C") |

Part 2 --Wells

| Wellbore | Licence Number | Licencee |
|---------------------|----------------|------------------------------------|
| 04/09-22-051-27W4/0 | W0130859 | Triple Five Intercontinental Group |
| 04/09-22-051-27W4/2 | W0130859 | Triple Five Intercontinental Group |
| 04/09-22-051-27W4/3 | W0130859 | Triple Five Intercontinental Group |
| 03/16-22-051-27W4/0 | W0050696 | Triple Five Intercontinental Group |
| 03/16-22-051-27W4/2 | W0050696 | Triple Five Intercontinental Group |
| 00/06-23-051-27W4/0 | W0007305 | Triple Five Intercontinental Group |
| 00/10-23-051-27W4/0 | W0026972 | Triple Five Intercontinental Group |
| 00/10-23-051-27W4/2 | W0026972 | Triple Five Intercontinental Group |
| 02/10-23-051-27W4/0 | W0132003 | Triple Five Intercontinental Group |
| 02/10-23-051-27W4/2 | W0132003 | Triple Five Intercontinental Group |
| 02/10-23-051-27W4/3 | W0132003 | Triple Five Intercontinental Group |
| 02/11-23-051-27W4/0 | W0004525 | Triple Five Intercontinental Group |
| 03/11-23-051-27W4/0 | W0007453 | Triple Five Intercontinental Group |
| 00/12-23-051-27W4/0 | W0006704 | Triple Five Intercontinental Group |
| 00/12-23-051-27W4/2 | W0006704 | Triple Five Intercontinental Group |
| 00/12-23-051-27W4/3 | W0006704 | Triple Five Intercontinental Group |
| 02/13-23-051-27W4/0 | W0008954 | Triple Five Intercontinental Group |
| 00/14-23-051-27W4/0 | W0006703 | Triple Five Intercontinental Group |
| 02/14-23-051-27W4/0 | W0044239 | Triple Five Intercontinental Group |
| 02/14-23-051-27W4/2 | W0044239 | Triple Five Intercontinental Group |
| 00/03-26-051-27W4/0 | W0000648 | Triple Five Intercontinental Group |
| 00/03-26-051-27W4/2 | W0000648 | Triple Five Intercontinental Group |
| 02/03-26-051-27W4/0 | W0043248 | Triple Five Intercontinental Group |
| 02/03-26-051-27W4/2 | W0043248 | Triple Five Intercontinental Group |
| 02/03-26-051-27W4/3 | W0043248 | Triple Five Intercontinental Group |
| 02/03-26-051-27W4/4 | W0043248 | Triple Five Intercontinental Group |
| 03/03-26-051-27W4/0 | W0131529 | Triple Five Intercontinental Group |
| 03/03-26-051-27W4/2 | W0131529 | Triple Five Intercontinental Group |
| 03/03-26-051-27W4/3 | W0131529 | Triple Five Intercontinental Group |
| 00/04-26-051-27W4/0 | W0006354 | Triple Five Intercontinental Group |
| 00/04-26-051-27W4/2 | W0006354 | Triple Five Intercontinental Group |
| 02/04-26-051-27W4/0 | W0046690 | Triple Five Intercontinental Group |
| 02/04-26-051-27W4/2 | W0046690 | Triple Five Intercontinental Group |
| 03/01-27-051-27W4/0 | W0008953 | Triple Five Intercontinental Group |
| 02/02-27-051-27W4/0 | W0074729 | Triple Five Intercontinental Group |

| | | |
|---------------------|----------|------------------------------------|
| 02/02-27-051-27W4/2 | W0074729 | Triple Five Intercontinental Group |
| 03/02-27-051-27W4/0 | W0075039 | Triple Five Intercontinental Group |
| 03/02-27-051-27W4/2 | W0075039 | Triple Five Intercontinental Group |
| 03/02-27-051-27W4/3 | W0075039 | Triple Five Intercontinental Group |
| 00/08-27-051-27W4/0 | W0005567 | Triple Five Intercontinental Group |
| 07/08-27-051-27W4/0 | W0075036 | Triple Five Intercontinental Group |
| 07/08-27-051-27W4/2 | W0075036 | Triple Five Intercontinental Group |
| 07/08-27-051-27W4/3 | W0075036 | Triple Five Intercontinental Group |
| 07/08-27-051-27W4/4 | W0075036 | Triple Five Intercontinental Group |
| D0/09-27-051-27W4/0 | W0085044 | Triple Five Intercontinental Group |
| D0/09-27-051-27W4/2 | W0085044 | Triple Five Intercontinental Group |

Part 3 – Pipelines

Pipelines

| License Number | Line Number | Licensee Name | Substance | Length (km) | From Location | To Location | From Facility | To Facility | Status |
|----------------|-------------|------------------------------------|-------------------|-------------|----------------|----------------|-----------------|-------------|-------------|
| 4500 | 1 | Triple Five Intercontinental Group | Natural Gas | 0.800 | 11-23-051-27W4 | 16-22-051-27W4 | Blind end | Blind end | Abandoned |
| 7113 | 1 | Triple Five Intercontinental Group | Salt Water | 0.210 | 16-22-051-27W4 | 13-23-051-27W4 | Injection plant | Well | Abandoned |
| 7113 | 2 | Triple Five Intercontinental Group | Salt Water | 0.760 | 13-23-051-27W4 | 11-23-051-27W4 | Blind end | Blind end | Discontinue |
| 7113 | 3 | Triple Five Intercontinental Group | Salt Water | 0.770 | 16-22-051-27W4 | 13-23-051-27W4 | Blind end | Blind end | Discontinue |
| 44022 | 1 | Triple Five Intercontinental Group | Natural Gas | 0.150 | 14-23-051-27W4 | 13-23-051-27W4 | Blind end | Blind end | Discontinue |
| 44022 | 2 | Triple Five Intercontinental Group | Natural Gas | 0.140 | 03-26-051-27W4 | 04-26-051-27W4 | Blind end | Blind end | Discontinue |
| 44022 | 3 | Triple Five Intercontinental Group | Natural Gas | 0.680 | 03-26-051-27W4 | 13-23-051-27W4 | Blind end | Blind end | Discontinue |
| 44022 | 4 | Triple Five Intercontinental Group | Natural Gas | 0.390 | 13-23-051-27W4 | 12-23-051-27W4 | Blind end | Blind end | Discontinue |
| 44022 | 5 | Triple Five Intercontinental Group | Natural Gas | 0.430 | 09-22-051-27W4 | 12-23-051-27W4 | Blind end | Blind end | Discontinue |
| 45399 | 1 | Triple Five Intercontinental Group | Natural Gas | 0.310 | 10-23-051-27W4 | 07-23-051-27W4 | Blind end | Blind end | Discontinue |
| 45399 | 2 | Triple Five Intercontinental Group | Natural Gas | 0.320 | 07-23-051-27W4 | 06-23-051-27W4 | Blind end | Blind end | Discontinue |
| 45399 | 3 | Triple Five Intercontinental Group | Natural Gas | 0.750 | 06-23-051-27W4 | 12-23-051-27W4 | Blind end | Blind end | Discontinue |
| 45399 | 1 | Triple Five Intercontinental Group | Natural Gas | 1.350 | 12-07-048-24W4 | 14-12-048-25W4 | Blind end | Blind end | Discontinue |
| 45881 | 1 | Triple Five Intercontinental Group | Natural Gas | 0.690 | 08-27-051-27W4 | 03-26-051-27W4 | Blind end | Blind end | Discontinue |
| 46321 | 1 | Triple Five Intercontinental Group | Sour Natural Gas | 0.120 | 06-23-051-27W4 | 11-23-051-27W4 | Blind end | Blind end | Discontinue |
| 46321 | 3 | Triple Five Intercontinental Group | Sour Natural Gas | 0.310 | 13-23-051-27W4 | 12-23-051-27W4 | Blind end | Blind end | Discontinue |
| 46325 | 1 | Triple Five Intercontinental Group | Natural Gas | 0.360 | 09-22-051-27W4 | 12-23-051-27W4 | Blind end | Blind end | Discontinue |
| 48044 | 1 | Triple Five Intercontinental Group | Salt Water | 0.590 | 16-22-051-27W4 | 01-27-051-27W4 | Blind end | Blind end | Abandoned |
| 48045 | 2 | Triple Five Intercontinental Group | Oil Well Effluent | 0.440 | 12-23-051-27W4 | 13-23-051-27W4 | Blind end | Blind end | Discontinue |
| 48045 | 3 | Triple Five Intercontinental Group | Oil Well Effluent | 0.570 | 14-23-051-27W4 | 13-23-051-27W4 | Blind end | Blind end | Discontinue |
| 48045 | 4 | Triple Five Intercontinental Group | Oil Well Effluent | 0.550 | 16-22-051-27W4 | 13-23-051-27W4 | Blind end | Blind end | Discontinue |
| 48045 | 5 | Triple Five Intercontinental Group | Oil Well Effluent | 0.590 | 13-23-051-27W4 | 16-22-051-27W4 | Blind end | Blind end | Discontinue |
| 48045 | 7 | Triple Five Intercontinental Group | Oil Well Effluent | 1.300 | 02-27-051-27W4 | 13-23-051-27W4 | Blind end | Blind end | Discontinue |
| 48045 | 8 | Triple Five Intercontinental Group | Oil Well Effluent | 1.370 | 08-27-051-27W4 | 13-23-051-27W4 | Blind end | Blind end | Discontinue |
| 48045 | 9 | Triple Five Intercontinental Group | Oil Well Effluent | 0.770 | 04-26-051-27W4 | 13-23-051-27W4 | Blind end | Blind end | Discontinue |
| 48045 | 10 | Triple Five Intercontinental Group | Oil Well Effluent | 0.340 | 12-23-051-27W4 | 13-23-051-27W4 | Blind end | Blind end | Discontinue |
| 48766 | 1 | Triple Five Intercontinental Group | Sour Natural Gas | 0.790 | 03-26-051-27W4 | 13-23-051-27W4 | Blind end | Blind end | Discontinue |
| 54116 | 1 | Triple Five Intercontinental Group | Sour Natural Gas | 0.310 | 11-23-051-27W4 | 12-23-051-27W4 | Blind end | Blind end | Discontinue |
| 54117 | 1 | Triple Five Intercontinental Group | Natural Gas | 0.480 | 09-27-051-27W4 | 08-27-051-27W4 | Blind end | Blind end | Discontinue |

Part 4
Facilities

| Government Code | Licence Number | Type | Subtype | Location | Licencee |
|-----------------|----------------|-----------|-------------------------------|----------------|------------------------------------|
| BBT0087339 | W 0130859 | Battery | Gas Single-well Battery | 09-22-051-27W4 | Triple Five Intercontinental Group |
| BBT0134622 | W 0130859 | Battery | Gas Single-well Battery | 09-22-051-27W4 | Triple Five Intercontinental Group |
| BBT0088243 | W 0050696 | Battery | Gas Single-well Battery | 16-22-051-27W4 | Triple Five Intercontinental Group |
| 34943 | F34943 | Battery | Gas Single-well Battery | 06-23-051-27W4 | Triple Five Intercontinental Group |
| BBT0134624 | W 0132003 | Battery | Gas Single-well Battery | 06-23-051-27W4 | Triple Five Intercontinental Group |
| BBT0089453 | W 0132003 | Battery | Gas Single-well Battery | 06-23-051-27W4 | Triple Five Intercontinental Group |
| BBT0134620 | W 0026972 | Battery | Gas Single-well Battery | 10-23-051-27W4 | Triple Five Intercontinental Group |
| BBT0087340 | W 0026972 | Battery | Gas Single-well Battery | 10-23-051-27W4 | Triple Five Intercontinental Group |
| BBT0088252 | F33535 | Battery | Gas Multiwell Group Battery | 12-23-051-27W4 | Triple Five Intercontinental Group |
| BBT0134623 | W 0006704 | Battery | Gas Single-well Battery | 12-23-051-27W4 | Triple Five Intercontinental Group |
| BBT0088081 | W 0006704 | Battery | Gas Single-well Battery | 12-23-051-27W4 | Triple Five Intercontinental Group |
| 11886 | F11886 | Satellite | Oil Satellite | 13-23-051-27W4 | Triple Five Intercontinental Group |
| BBT0134619 | W 0044239 | Battery | Gas Single-well Battery | 14-23-051-27W4 | Triple Five Intercontinental Group |
| BBT0084099 | W 0044239 | Battery | Gas Single-well Battery | 14-23-051-27W4 | Triple Five Intercontinental Group |
| 7 | F34117 | Battery | Gas Single-well Battery | 03-26-051-27W4 | Triple Five Intercontinental Group |
| BBT0083031 | W 0131529 | Battery | Gas Single-well Battery | 03-26-051-27W4 | Triple Five Intercontinental Group |
| BBT0082932 | W 0043248 | Battery | Crude Oil Single-well Battery | 03-26-051-27W4 | Triple Five Intercontinental Group |
| BBT0134618 | W 0131529 | Battery | Gas Single-well Battery | 03-26-051-27W4 | Triple Five Intercontinental Group |
| BBT0088245 | W 0043248 | Battery | Gas Single-well Battery | 03-26-051-27W4 | Triple Five Intercontinental Group |
| BBT0134621 | W 0043248 | Battery | Gas Single-well Battery | 03-26-051-27W4 | Triple Five Intercontinental Group |
| BBT0083032 | W 0075036 | Battery | Gas Single-well Battery | 08-27-051-27W4 | Triple Five Intercontinental Group |
| BBT0134617 | W 0085044 | Battery | Gas Single-well Battery | 09-27-051-27W4 | Triple Five Intercontinental Group |

**SCHEDULE "B"
GENERAL CONVEYANCE**

Attached to and made part of that Asset Purchase Agreement effective November 1, 2018

GENERAL CONVEYANCE

This General Conveyance made this • day of •, 2018.

BETWEEN:

NEWGRANGE ENERGY INC. a body corporate in the city of Calgary in the province of Alberta (the "**Vendor**")

- and -

FREE REIN RESOURCES LTD., a body corporate in the city of Calgary in the province of Alberta (the "**Purchaser**")

WHEREAS the Vendor and the Purchaser entered into that Asset Purchase Agreement dated April 1, 2018 (the "**Agreement**");

AND WHEREAS the Vendor has agreed to sell and convey the Vendor's entire right, title, estate and interest in the Assets to the Purchaser and the Purchaser has agreed to purchase and accept all of the Vendor's rights, title, estate and interest in and to the Assets in accordance with the terms and conditions contained in the Agreement;

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

1. Definitions

All capitalized terms not defined herein shall have the same meaning as set out in the Agreement.

2. Closing

The Vendor and the Purchaser each hereby certify that it has performed and satisfied all agreements and obligations that it was required to perform or satisfy pursuant to the Agreement on or prior to the date hereof, that the representations and warranties made by it as contained in the Agreement are true in all material respects at and as of the Effective Time and the Closing Date, that all closing conditions in its favour have either been satisfied or are hereby waived, and Closing is hereby completed.

3. "As Is, Where is" Basis

The Assets are being purchased by the Purchaser on an "as is, where is" and "without recourse" basis and without representation or warranty of any nature, kind or description by the Vendor or its directors, officers, employees, agents or counsel other than provided for in the Agreement. Without limiting the generality of the foregoing, the Vendor makes no representation or warranty with respect to (a) the value of the Assets, (b) the quality or condition of the Assets or (c) the Vendor's compliance with any Applicable Laws pertaining to the Assets. The covenants, representations and warranties contained in the Agreement are incorporated herein as fully and effectively as if they were set out herein and there shall not be any merger of any covenant, representation or warranty

contained in the Agreement by virtue of the execution and delivery hereof, any rule of law, equity or statute to the contrary notwithstanding.

4. Conveyance

The Vendor, for the consideration provided for in the Agreement, the receipt and sufficiency of which is acknowledged by the Vendor, hereby sells, assigns, transfers and conveys the entire right, title, benefit and interest of the Vendor (whether absolute or contingent, legal or beneficial) in and to the Assets to the Purchaser, its successors and assigns, and the Purchaser purchases and accepts such interests from the Vendor, TO HAVE AND TO HOLD the same absolutely, subject to the terms of the Agreement, the Permitted Encumbrances and compliance with the terms of the Leases and all other Title and Operating Documents.

5. Effective Time

This General Conveyance and the transfer of title to and possession of the Vendor's interest in and to the Assets will, subject to the terms of the Agreement, be effective as of the Closing Date.

6. Subordinate Document

This General Conveyance is executed and delivered by the Parties pursuant to the Agreement for the purposes of the provisions of the Agreement, and the terms hereof shall be read on conjunction with the terms of the Agreement. If there is a conflict between the provisions of the Agreement and this General Conveyance, the provisions of the Agreement shall prevail to the extent of the conflict.

7. Enurement

This General Conveyance enures to the benefit of and is binding upon the Parties and their respective administrators, trustees, successors and permitted assigns.

8. Further Assurances

Each Party shall, after the date of this General Conveyance, at the request of the other Party and without further consideration, do all further acts and execute and deliver all further documents which are reasonably required to perform and carry out the terms of this General Conveyance.

9. Governing Law

This General Conveyance will be governed by and construed in accordance with the laws of the Province of Alberta.

IN WITNESS WHEREOF the Parties have duly executed this General Conveyance.

FREE REIN RESOURCES LTD., a body corporate
in the city of Calgary in the province of Alberta

Per: 

Name: Edward Jakubowsky
Title: Director

NEWGRANGE ENERGY INC., a body corporate
in the city of Calgary in the province of Alberta

Per: 

Name: Terry McCallum
Title: President

SCHEDULE "C"
ROYALTY AGREEMENT

Royalty Agreement dated October 30th, 2018 between Free Rein Resources Ltd. and Newgrange Energy Inc.

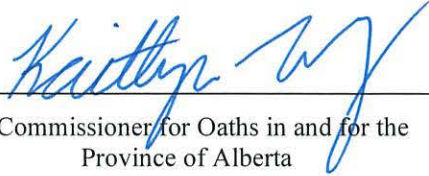
SCHEDULE "D"

Attached to and made part of that Asset Purchase Agreement dated November 1, 2018

ROFRs

| File # | File Sub | Land Description | Rights Held | Working Interest Parties | Working Interest | Value \$ | ROFR Response Days | ROFR Served | ROFR Due Date |
|--------|----------|-----------------------------------|---|-------------------------------|------------------|----------|--------------------|-------------|---------------|
| C00793 | A | TWP 51 RGE 27 W4M SEC NW 35 | PNG FROM TOP SURFACE TO BASE MANNVILLE EXCL PNG IN BASAL QUARTZ | Newgrange Energy Inc. CNRL | 5% 95% | \$1,000 | 30 | | |

This is Exhibit "M"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024.



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

ROYALTY AGREEMENT

Dated this 30th day of
October, 2018.

BETWEEN:

FREE REIN RESOURCES LTD., a body corporate, having an office at the City of Calgary, in the Province of Alberta;
(hereinafter sometimes referred to as "Royalty Payor")

NEWGRANGE ENERGY INC., a body corporate, having an office at the City of Calgary, in the Province of Alberta;
(hereinafter sometimes referred to as the "Royalty Owner")

WHEREAS the parties hereto have heretofore agreed that the Royalty Owner shall have a gross overriding royalty interest in all Petroleum Substances produced, saved and marketed from the Royalty Lands, all as more particularly hereinafter provided;

NOW THEREFORE THIS ROYALTY AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereinafter set forth, the parties agree as follows:

1. DEFINITIONS;

In this Royalty Agreement including the recitals and this clause, unless the context otherwise requires, the following terms shall have the meanings hereinafter assigned thereto:

- (a) "Affiliate" shall have the meaning ascribed thereto in the *Business Corporations Act* (Alberta), as amended from time to time.
- (b) "Acquisition Date" shall mean the date or dates as set forth in Schedule "A" which is the date that the Royalty Payor acquired its interest in the Royalty Lands and shall also mean the date which triggers the effective date of the Area of Mutual Interest with respect to the particular Royalty Lands.
- (c) "Area of Mutual Interest" shall mean any lands outlined in Schedule "B" and shall be subject to all provisions in Clause 16 of this agreement.
- (d) "Condensate" shall mean a mixture mainly of pentanes and heavier hydrocarbons that may be containing Sulphur, or other associated compounds, that is recovered or is recoverable at the well from an underground reservoir and that may be gaseous in its virgin reservoir state but is liquid at the conditions under which its volume is measured or estimated.
- (e) "Crude Oil" shall mean a mixture mainly of pentanes and heavier hydrocarbons (whether or not containing Sulphur, or other associated compounds) that is recovered at a well from an underground reservoir and that is liquid at the conditions under which its volume is measured or estimated and shall include crude naphtha that is so recovered.

ROYALTY AGREEMENT

Dated this 30th day of
October, 2018.

BETWEEN:

FREE REIGN RESOURCES LTD., a body corporate, having an office at the City of Calgary, in the Province of Alberta;
(hereinafter sometimes referred to as "Royalty Payor")

NEWGRANGE ENERGY INC., a body corporate, having an office at the City of Calgary, in the Province of Alberta;
(hereinafter sometimes referred to as the "Royalty Owner")

WHEREAS the parties hereto have heretofore agreed that the Royalty Owner shall have a gross overriding royalty interest in all Petroleum Substances produced, saved and marketed from the Royalty Lands, all as more particularly hereinafter provided;

NOW THEREFORE THIS ROYALTY AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereinafter set forth, the parties agree as follows:

1. DEFINITIONS;

In this Royalty Agreement including the recitals and this clause, unless the context otherwise requires, the following terms shall have the meanings hereinafter assigned thereto:

- (a) "Affiliate" shall have the meaning ascribed thereto in the *Business Corporations Act* (Alberta), as amended from time to time.
- (b) "Acquisition Date" shall mean the date or dates as set forth in Schedule "A" which is the date that the Royalty Payor acquired its interest in the Royalty Lands and shall also mean the date which triggers the effective date of the Area of Mutual Interest with respect to the particular Royalty Lands.
- (c) "Area of Mutual Interest" shall mean any lands outlined in Schedule "B" and shall be subject to all provisions in Clause 16 of this agreement.
- (d) "Condensate" shall mean a mixture mainly of pentanes and heavier hydrocarbons that may be containing Sulphur, or other associated compounds, that is recovered or is recoverable at the well from an underground reservoir and that may be gaseous in its virgin reservoir state but is liquid at the conditions under which its volume is measured or estimated.
- (e) "Crude Oil" shall mean a mixture mainly of pentanes and heavier hydrocarbons (whether or not containing Sulphur, or other associated compounds) that is recovered at a well from an underground reservoir and that is liquid at the conditions under which its volume is measured or estimated and shall include crude naphtha that is so recovered.

- (f) "Facility Fees" shall mean as applicable:
- (i) For Facility Usage of facility capacity owned by third parties (other than Affiliates of the Royalty Payor), all costs and expenses paid by the Royalty Payor for that facility usage; or
 - (ii) For Facility Usage of facility capacity owned by the Royalty Payor (or an Affiliate of the Royalty Payor), an expense equal to a fee (comprised of both operating and return on capital components) in accordance with either:
 - A. The fee ordinarily chargeable for the same use as the Facility Usage, if that facility is made available for use to third parties; or
 - B. In all other circumstances, a fee sufficient to cover that use of facilities, where the capital recovery component of that fee uses as a guideline the *PNA Jumping Pound-95* methodology and the operating cost component is calculated and assessed on the basis of facility throughput costs.
- (g) "Facility Usage" shall mean the Royalty Payor's use of facilities beyond those included in equipping costs to make merchantable and to deliver to market Petroleum Substances produced from Royalty Lands, including as applicable, the gathering, compression, treatment, processing and transportation, but excluding any basis adjustments made in the determination of the Market Price of Natural Gas.
- (h) "Leases" shall mean the title documents relating to the Royalty Lands, and any extensions, renewals, variations or replacements of the title documents, including without limitation the lease(s) described in the attached Schedule "A"
- (i) "Market Price" shall mean the price at which Petroleum Substances are sold by the Royalty Payor pursuant to clause 3(a), which price shall not be unreasonable, having regard to market conditions applicable to similar arm's length transactions at the applicable time, including without limitation, such factors as the volumes available, the kind and quality of petroleum substances to be sold, the effective date of the sale, the term of the sale, the point of sale and the type of transportation service available, and for sales of Natural Gas shall be not less than the one month spot index price received by the Royalty Payor in Alberta for the month of production subject to reasonable transportation basis adjustments.
- (j) "Natural Gas" shall mean raw gas or marketable gas as the context so requires, as those terms are defined in the *Oil and Gas Conservation Act* (Alberta), as amended from time to time.
- (k) "Natural Gas Liquids" shall mean propane, butane, pentanes plus, or a combination of them, obtained from the processing of Natural Gas or Condensate.
- (l) "Overriding Royalty" shall mean the percentage of Petroleum Substances produced from the Royalty Lands calculated in accordance with the provisions of this Royalty Agreement payable by the Royalty Payor to the Royalty Owner.
- (m) "Petroleum Substances" shall mean all Crude Oil, Natural Gas, Condensate, Natural Gas Liquids, related hydrocarbons, Sulphur, and every other substance an interest in which is granted under the Leases.

- (n) "Point of Measurement shall mean the first point at which Petroleum Substances are or can be metered, measured or allocated downstream of the wellhead following the basic processing described in clause 2(e)
- (o) "Regulations" shall mean all statutes, laws, rules, orders and regulations in effect from time to time.
- (p) "Royalty Lands" shall mean, to the extent granted by the Leases, the lands set out in the attached Schedule "A" (or that may hereafter be made subject to a gross overriding royalty to Royalty Owner by virtue of Area of Mutual Interest or otherwise) or any portion thereof, in which Royalty Payor has an interest therein.

All derivations of the foregoing shall bear the corresponding meanings.

2. CREATION OF OVERRIDING ROYALTY;

- (a) The Royalty Owner does hereby reserve to itself and the Royalty Payor does hereby grant to Royalty Owner the Overriding Royalty on the Royalty Lands as described in this Royalty Agreement and based upon the working interest of the Royalty Payor as set forth in the attached Schedule "A" or Schedule "A-1". The Overriding Royalty is intended to be an interest in land in the Royalty Lands, and to be a covenant running therewith.
- (b) The Overriding Royalty will be calculated on a well by well basis at the Point of Measurement as follows:
 - (i) For Crude Oil 5% of the gross monthly production thereof produced from or allocated to each well on the Royalty Lands; and
 - (ii) For all other Petroleum Substances 5% of the gross monthly production thereof produced from or allocated to each well on the Royalty Lands.

The Overriding Royalty shall be payable by Royalty Payor to Royalty Owner in accordance with this Agreement and attached Schedules.

- (c) The Royalty Payor shall deliver the Overriding Royalty to Royalty Owner either:
 - (i) By selling the Overriding Royalty (or a portion thereof) on behalf of Royalty Owner and accounting for the proceeds thereof in accordance with clause 3; or
 - (ii) By taking in kind the Overriding Royalty (or a portion thereof) in accordance with clause 4 (if Royalty Owner so elects).
- (d) Subject to the other provisions of this Royalty Agreement, the Royalty Payor is hereby appointed as the agent of the Royalty Owner for the handling and disposition of the Overriding Royalty. All acts of the Royalty Payor under this Clause in the handling and disposition of those Petroleum substances and the receipt of proceeds of sale therefrom will be as trustee for the Royalty Owner
- (e) Regardless of whether the Overriding Royalty is taken in kind or sold by Royalty Payor on Royalty Owner's behalf, Royalty Payor shall be responsible to ensure the treatment of Crude Oil for the separation, removal and disposal of basic sediment and water, any extraction of liquid hydrocarbons from Natural Gas at the wellhead and any wellsite separation, removal and disposal of basic sediment and water therefrom, and any wellsite dehydration of Natural Gas.
- (f) The Royalty Payor shall not be required to account to Royalty Owner for that portion of the Overriding Royalty that Royalty Payor (or the operator of the Royalty Lands)

reasonably uses or unavoidably loses in drilling and production operations for the Royalty Lands as described in clause 6(d).

3. OVERRIDING ROYALTY NOT TAKEN IN KIND;

- (a) To the extent that the Royalty Payor disposes of the Overriding Royalty on behalf of the Royalty Owner:
 - (i) Except to the extent otherwise agreed by the Royalty Payor and the Royalty Owner, insofar as the Royalty Payor takes possession of the Overriding Royalty as agent of the Royalty Owner, the Royalty Payor will dispose of those Petroleum Substances by:
 - A. Selling those Petroleum Substances at a Market Price and accounting to the Royalty Owner for the proceeds of the sale; or
 - B. Purchasing those Petroleum Substances for the Royalty Payor's own account (or the account of Affiliate) at a Market Price and accounting to the Royalty Owner therefore.
 - (ii) Subject to the maximums set out in clause 3(d), the Royalty Owner will be responsible, on a well by well basis, for the following costs and expenses incurred after the Point of Measurement with respect to the Overriding Royalty, which Royalty Payor may deduct from the proceeds payable to Royalty Owner pursuant to clause 5:
 - A. Any associated Facility Fees and any transportation costs to transport those Petroleum Substances from the Point of Measurement to the point of sale; and
 - B. Any costs and expenses the Royalty Payor is required to incur to enrich the heating value or to facilitate transportation or marketing of those Petroleum Substances, with the intention that neither the Royalty Payor or the Royalty Owner suffer a loss as a result of that enrichment. Enrichment operations include, without limitation, condensate blending in the case of heavy oil and enrichment by propane or butane in the case of gas with low heating value.
- (b) The Royalty Owner shall not be responsible for any other costs or expenses related to the Overriding Royalty other than as set out above.
- (c) A cost or expense attributable to more than one Petroleum Substance being sold by the Royalty Payor may only be deducted once.
- (d) The costs and expenses to be borne by the Royalty Owner pursuant to this clause 3 and deducted by Royalty Payor shall exceed neither:
 - (i) Those permitted by the Regulations for the calculation of royalties if the lessor under the relevant Title Documents were the Crown in right of the Province in which the Royalty Lands are located; or
 - (ii) 50% of the Market Price [first adjusted for any deductions relating to enrichment of heating value under clause 3(a)(ii)] from the sale of the Overriding Royalty.
- (e) The deductions set forth in this clause 3 pertain to the costs and expenses that would otherwise be incurred by the Royalty Owner to bring those Petroleum Substances to the

point of sale if the Royalty Owner were taking those Petroleum Substances in kind. The allowable deductions are expressed as cash obligations for convenience of record keeping and audit and are not to be construed as altering the nature of the Overriding Royalty as an interest in land.

4. **OVERRIDING ROYALTY TAKEN IN KIND;**

- (a) The Royalty Owner may revoke the agency established in clause 2(d) and elect to take delivery and separately dispose of any of the Overriding Royalty at the Point of Measurement effective at the 1st day of the calendar month next following the following minimum periods. In the case of Crude Oil and Condensate, such right shall only be exercised on a minimum of 45 days' notice to the Royalty Payor. In the case of Natural Gas Liquids and Natural Gas Liquids, such right shall only be exercised on six months' notice to the Royalty Payor. If the Royalty Owner, however, signifies in writing its consent to the sale of any of the Royalty Owner's share of Petroleum Substances under a contract made by the Royalty Payor providing for a minimum term in excess of the said respective notice periods, the Royalty Owner's right to take in kind any Petroleum Substances subject to such contract shall be suspended during the term of such contract. The Royalty Owner will supply the Royalty Payor with such information regarding the Royalty Owner's arrangements for disposition of those Petroleum Substances as the Royalty Payor may reasonably require to coordinate custody transfer and shipping arrangements for those Petroleum Substances. Failure to provide the Royalty Payor with that information will be deemed to be a failure by the Royalty Owner to take those Petroleum Substances in kind.
- (b) To the extent the Royalty Owner takes in kind its Overriding Royalty, the Royalty Payor will, at the Royalty Payor's cost:
- (1) In respect of Crude Oil or Condensate extracted from Natural Gas at the wellhead:
- A. Remove basic sediment and water from those Petroleum Substances in accordance with good oilfield practice, so that relevant pipeline specifications can be met.
 - B. Provide the Royalty Owner with a proportionate share of the Royalty Payer's tankage and storage facilities to store a maximum of 10 days production of the Royalty Owner's share of Crude Oil and Condensate; and
 - C. Deliver such Petroleum Substances to the Royalty Owner, or the Royalty Owner's nominee, at the Point of Measurement in accordance with usual and customary pipeline and shipping practice free and clear of all charges.
- (2) In respect of Natural Gas and Natural Gas Liquids, deliver them to the Royalty Owner, or the Royalty Owner's nominee, at the applicable Point of Measurement for the relevant well.
- (c) Insofar as the Royalty Owner has elected to revoke the agency established by clause 2(d), the Royalty Owner may re-establish that agency upon giving the Royalty Payor the same minimum notice as aforesaid to revoke such agency. This right may be exercised separately for each type of Petroleum Substance.

5. PAYMENT OF ROYALTY;

- (a) If the Royalty Payor receives funds on account of or as the proceeds of sale of the production of Petroleum Substances comprising the Overriding Royalty, the Royalty Payor will receive the Royalty Owner's share of those funds as trustee for the Royalty Owner.
- (b) The Royalty Payor must remit to the Royalty Owner all funds accruing to the Royalty Owner on account of the Overriding Royalty on or before the 25th day of the calendar month next following the calendar month in which the Royalty Payor received those funds. For the timing of receipt of proceeds in this Clause, "received" will be read as "normally received" if the purchaser of those Petroleum Substances fails to pay the Royalty Payor for that production.
- (c) The Royalty Payor, when submitting to the Royalty Owner all monies accruing to the Royalty Owner, shall include a statement showing the quantity and kind of the Petroleum Substances produced, saved and sold from the Royalty Lands in the immediately preceding calendar month, the Market Price, together with a calculation of the Overriding Royalty from such proceeds.
- (d) A copy of the governmental production statement for the month for which the Overriding Royalty is calculated as aforesaid, and in addition, a copy of the Crown royalty statement with respect to the Leases, shall accompany each respective royalty statement to the Royalty Owner. Any information contained in such governmental production statement or Crown royalty statement need not be repeated in the Royalty Payer's statement to the Royalty Owner.

6. OPERATIONS ON THE ROYALTY LANDS;

- (a) The Royalty Payor shall make every reasonable endeavor within its legal authority to market any of the Petroleum Substances produced or capable of being produced from the Royalty Lands ratably with any other similar substances produced from any lands within the same pool in which the Royalty Payor or any Affiliate has an interest and further the Royalty Payor covenants that it will not discriminate against the Petroleum Substances produced or capable of being produced from the Royalty Lands in the production and marketing of the same.
- (b) The Royalty Payor shall have the right to commingle Petroleum Substances produced from the Royalty Lands with Petroleum Substances produced from other lands, if methods acceptable to the Royalty Owner are used to determine the proper measurement of individual well production. Where Regulations require segregated production tests of individual wells at intervals not greater than two months, such tests will be required.
- (c) The Royalty Payor shall pay all rentals, royalties, taxes and charges payable under the provisions of the Leases or with respect to the Royalty Lands and the production therefrom, either directly or by reimbursing the Royalty Owner, and shall keep the Leases in good standing until surrender thereof as herein provided for and shall not allow the Leases to terminate or become subject to forfeiture.
- (d) The Royalty Payor (or the operator of the Royalty Lands) shall not be required to account for that portion of the Overriding Royalty that it reasonably uses or unavoidably loses in drilling and production operations for the Royalty Lands including the proportionate use of those Petroleum Substances in batteries, treaters, compressors, separators, satellites and similar equipment serving Royalty Wells,
- (e) Nothing in this Royalty Agreement is to be construed as an expressed or implied covenant by the Royalty Payor to drill wells or in any other way develop the Royalty Lands.

7. **WELL INFORMATION;**

Royalty Payor shall provide to Royalty Owner the following information in respect of each well drilled on the Royalty Lands in which Royalty Payor has an interest:

- (a) Immediate notice of the spud date of the well;
- (b) Daily drilling and geological reports; and
- (c) Copies of logs, tests, seismic and all data acquired throughout the drilling of the well.

8. **POOLING AND UNITIZATION;**

- (a) The Royalty Payor may pool the Petroleum Substances in a zone underlying all or a portion of the Royalty Lands to the extent required to form a spacing unit in that zone, on the condition that the pooling allocates production therefrom to the applicable Royalty Lands in the proportion that the surface area of the Royalty Lands placed in the spacing unit bears to the total surface area of the spacing unit. The Royalty Payor will promptly give notice to the Royalty Owner describing the extent to which the Royalty Lands have been pooled and describing the pooled spacing unit.
- (b) If the Royalty Payor proposes to pool, unitize or otherwise combine any portion of the Royalty Lands, other than as provided in the previous Subclause, the Royalty Payor must promptly send notice of that intention to the Royalty Owner. That notice must include the technical justification for that pooling, unitization or combination and the proposed terms thereof, provided that the Royalty Payor will not be required to provide interpretative data to the Royalty Owner. Unless otherwise required by Regulations to form a spacing unit, the Royalty Payor will not enter into that pooling, unitization or combination without the prior written consent of the Royalty Owner, which consent will not be unreasonably delayed or withheld.
- (c) If any portion of the Royalty Lands are pooled, unitized or combined with any other lands pursuant to this Clause, the Overriding Royalty shall be calculated by using the quantity of Petroleum Substances thereby allocated to the affected Royalty Lands rather than the actual production therefrom.

9. **RIGHT TO AUDIT;**

- (a) The Royalty Owner shall have the right to audit the records of the Royalty Payor, at Royalty Owner's sole expense, insofar as they relate to any matter or items required to determine the accuracy of any statements or payments with respect to the Overriding Royalty. The books, records, vouchers and accounts maintained by the Royalty Payor shall be open to inspection at all reasonable times during business hours, by an officer, agent, employee or other person appointed or authorized by the Royalty Owner, in writing, to examine the same.

- (b) Any claims of discrepancies disclosed by the audit shall be made in writing to the Royalty Payor within two months following the completion of the audit. The Royalty Payor shall respond in writing to any claims of discrepancies within six months of receipt of the claims. To the extent that the parties are unable to resolve any outstanding claims of discrepancies disclosed by the audit, such audit exceptions shall be resolved by mediation, provided that, at any time during or within 30 days of the conclusion or termination of the mediation efforts, any party may elect by notice to the other parties to have such audit exceptions resolved pursuant to the *Arbitration Act* (Alberta), as amended from time to time.
- (c) Any statement rendered by the Royalty Payor to the Royalty Owner with respect to the production, disposition or sale of the Overriding Royalty and the permitted charges applicable thereto made by the Royalty Payor shall be conclusively deemed to be correct 24 months following the end of the calendar year in which the statement was received by the Royalty Owner unless and to the extent that the statement is disputed by the Royalty Owner before the end of that period.

10. SURRENDER;

- (a) If there are multiple working interest owners in any portion of the Royalty Lands and it is proposed to surrender to the grantor of the Leases or otherwise permit to expire all or a portion of the applicable lands, the provisions of any agreement governing the lands shall be complied with. To the extent that all working interest owners agree to the surrender or expiry of those Royalty Lands, or if there is only one Royalty Payor, the Royalty Payor shall give notice thereof ("Surrender Notice") to the Royalty Owner at least 60 days before the next ensuing anniversary date of the lease covering the lands or interest therein which it is proposed to surrender. Within 30 days after receipt of the Surrender Notice, the Royalty Owner may elect in writing to acquire such interest and if it does so the Royalty Payor shall, without warranty, forthwith transfer or assign such interest to the Royalty Owner. The Overriding Royalty shall thereafter cease to be payable with respect to the interest so assigned to the Royalty Owner. If the Royalty Owner fails to make the election as provided for herein, the Royalty Payor may surrender the lands specified in the Surrender Notice.
- (b) Upon the Royalty Owner electing to acquire the interest to be surrendered as set forth herein, the Royalty Owner shall assume all rights and obligations of the Royalty Payor with respect to the interest assigned, including indemnification of the Royalty Payor, which rights, obligations and indemnification accrue from and after the effective date of such assignment. The effective date of such assignment shall be the date upon which Royalty Owner elected to acquire the subject interest as provided herein.

11. ROYALTY OWNER'S LIEN;

- (a) The Royalty Owner shall be entitled to and shall have a first and paramount lien upon the Royalty Payor's share of all Petroleum Substances from time to time produced from the Royalty Lands to secure the payment of the Overriding Royalty. Such lien shall not operate to release the Royalty Payor from personal liability for monies due to the Royalty Owner. Such lien shall not attach to the Royalty Payor's share of Petroleum Substances sold or otherwise disposed of from the Royalty Lands, but immediately upon default occurring in payment by the Royalty Payor of monies payable to the Royalty Owner. Such lien shall operate as an assignment to the Royalty Owner of the proceeds payable to the Royalty Owner and not so paid by the Royalty Payor.

- (b) Service of a copy of this Royalty Agreement upon any purchaser of Petroleum Substances together with written notice from the Royalty Owner shall constitute written authorization on the part of the Royalty Payor for such purchaser to pay the Royalty Owner the proceeds from any sale or sales of the Royalty Payor's share of Petroleum Substances, up to the amount owed to the Royalty Owner by the Royalty Payor, and such purchaser is authorized to rely solely upon the statement of the Royalty Owner as to the amount owed to the Royalty Owner by the Royalty Payor.
- (c) The books and records kept by the Royalty Owner shall constitute written proof of the existence of such default, although no purchaser shall be obliged to examine the same before acting upon such notice of default.

12. INDEMNIFICATION;

- (a) The Royalty Payor shall:
 - (i) Be liable to the Royalty Owner for all losses, cost, damages and expenses whatsoever that the Royalty Owner may suffer, sustain, pay or incur; and in addition,
 - (ii) Indemnify and save harmless the Royalty Owner from and against all actions, suits, claims and demands whatsoever by any person;

In each of (i) and (ii) above, arising out of or resulting from any acts or omissions of the Royalty Payor, its servants, agents, employees or independent contractors in respect of operations carried on by it on the Leases and the Royalty Lands.

- (b) The Royalty Owner shall:
 - (i) Be liable to the Royalty Payor for all losses, costs, damages and expenses whatsoever that the Royalty Payor may suffer, sustain, pay or incur; and in addition,
 - (ii) Indemnify and save harmless the Royalty Payor from and against all actions, suits, claims and demands whatsoever by any person;

In each of (i) and (ii) above, arising out of or resulting from any acts or omissions of the Royalty Owner, its servants, agents, employees or independent contractors in respect of operations carried on by it on the Leases and the Royalty Lands.

13. NOTICES;

- (a) All notices to be given hereunder shall be in writing and may be served:
 - (i) Personally, by leaving them with the party on whom they are to be served at the party's address hereinafter given, provided such delivery shall be during normal business hours. Notices so served shall be deemed received by the addressee when actually delivered; or
 - (ii) By facsimile (or by any other like method by which a written message may be sent) directed to the party on whom they are to be served at the party's address hereinafter given. Notices so served shall be deemed received by the addressee when actually received by it within the normal working hours of a business day or at the commencement of the

next ensuing business day following transmission thereof, whichever is the later, or

- (iii) By mailing them first class (air mail if to or from a location outside of Canada) registered post, postage prepaid, to the party on whom they are to be served. Notices so served shall be deemed to be received by the addressee at noon, local time, on the earlier of the actual date of receipt or the fourth day (excluding local time, on the earlier of the actual date of receipt or the fourth day (excluding Saturdays, Sundays and statutory holidays) following the mailing thereof; and
- (iv) No party shall mail any notice if such party has notice of a strike or imminent strike of the postal service or of conditions, which would reasonably establish that the addressee thereof in the due course of the mail would not receive such notice. In such event, such party giving notice shall employ a method of waving such notice otherwise provided in this clause.

(b) The address of each of the parties shall be:

FREE REIN RESOURCES LTD.
205, 625 - 11th Ave
SW
Calgary AB
T2R 0E1
Phone: 403-541-0117
Email: Shaunaddison@shaw.ca

NEWGRANGE ENERGY INC.
2792 Signal Hill Drive S.W.
Calgary, Alberta
T3H2L8
Phone: 403-617-5785
Email: terry@newgrangeenergy.com

(c) Any party may change its address by notice served as provided above.

14. ASSIGNMENT;

The assignment of interests and obligations in this Royalty Agreement shall only be effective against the other party if the assignor and the assignee have complied with the terms of the 1993 Canadian Association of Petroleum Landmen Assignment Procedure, which shall be deemed to be included herein by reference. In the absence of an assignment in accordance with the foregoing or Royalty Owner's written consent, Royalty Payor shall remain liable for the payment of the Overriding Royalty notwithstanding that it may no longer have any interest in the Royalty Lands from which such Petroleum Substances are produced, or that it may not be receiving the production or proceeds of production therefrom.

15. MULTIPLE ROYALTY PAYORS;

If the Royalty Payor comprises at any time more than one party:

- (a) The Royalty Payer's obligations and liabilities to the Royalty Owner will be joint and several.
- (b) All rights, duties, obligations, elections and privileges to which Royalty Payor is entitled under this Royalty Agreement shall be shared and may be separately exercised by each party comprising the Royalty Payor in the proportions in which they from time to time own the working interests in the Royalty Lands.
- (b) The Royalty Payors shall designate one of them as their representative under this Clause and shall be bound by the acts and elections of that representative acting in that capacity; and
- (c) The Royalty Owner may deal solely with the Royalty Payor designated by notice as the Royalty Payer's representative from time to time, provided that the Royalty Owner will provide each Royalty Payor with notices the Royalty Owner serves to the Royalty Payor representative.

16. AREA OF MUTUAL INTEREST;

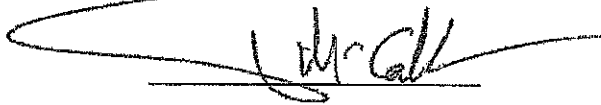
- (a) It is understood and agreed that any lands acquired by the Royalty Payor within the area or areas as outlined on Schedule "B" hereto shall be mutual interest lands ("mutual interest lands") and subject to the provisions of this Clause 16.
- (b) If the Royalty Payor acquires mutual interest lands within the period of time stipulated in Sub clause (c) hereof the Royalty Owner shall be entitled to receive the said royalty on the working interest of the Royalty Payor so acquired and the terms of this Agreement shall be deemed to apply thereto mutatis mutandis and Schedule "A-1" hereof shall be amended accordingly and signed by all parties so as to add the said lands and interest thereto. The Royalty Payor shall fully inform the Royalty Owner of any mutual interest lands so acquired by advising the Royalty Owner within thirty (30) days of such acquisition and shall provide Royalty Payor with a revised Schedule "A-1" for signing and incorporation into this Royalty Agreement.
- (c) This clause 16 shall apply only with respect to an interest acquired in mutual interest lands within two (2) years of the Acquisition Date as set forth in Schedule "A" for each of the Royalty Lands. With respect to the interests acquired thereafter, the Royalty Payor shall have no obligations to the Royalty Owner whatsoever pursuant to this Agreement.
- (d) If the parties hereto so agree, other Royalty Lands may be added to this Royalty Agreement. In the event the Royalty Payor acquires lands and all parties agree that such lands shall become Royalty Lands, Schedule "A" shall be amended and signed by all parties. Such additional Royalty Lands shall create a further area(s) of mutual interest and the parties agree to amend Schedule "B" to incorporate this area of mutual interest. The Royalty Owner shall be entitled to receive the said royalty on the working interest of the Royalty Payor in the additional Royalty Lands so acquired and the terms of this Agreement shall be deemed to apply thereto mutatis mutandis. However, the parties hereto agree that until such amended Schedules "A" and "B" are signed by all parties and incorporated into this Royalty Agreement the parties hereto shall have no additional obligations with respect to this Royalty Agreement.

17. MISCELLANEOUS;

- (a) This Royalty Agreement and the relationship amongst the parties hereto shall be construed and determined according to the laws of the Province of Alberta and each party hereto does attorn to the exclusive jurisdiction of the courts of the Province of Alberta with respect to any matter arising out of this Royalty Agreement.
- (b) The parties hereto shall from time to time and at all times do such further acts and execute and deliver such further deeds and documents as shall be reasonably required in order to fully perform and carry out the terms and intent of this Royalty Agreement.
- (c) The right of any party hereto to acquire any interest in lands subject to this Royalty Agreement shall not extend beyond the period set out in the applicable perpetuities Regulations.
- (d) No waiver by either party hereto of any breach of any of the conditions and provisions herein contained shall be effective or be binding upon the other party unless the same is expressed in writing, and any waiver so expressed shall not limit or affect its right with respect to any other or future breach.
- (e) Time is of the essence of this Royalty Agreement.
- (f) Subject to clause 14, this Royalty Agreement shall endure to the benefit of and be binding upon the parties hereto, their heirs, successors and permitted assigns.
- (g) The headings of the clauses of this Royalty Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Royalty Agreement.

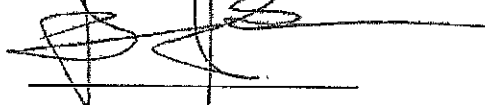
IN WITNESS WHEREOF THE PARTIES have duly executed this Royalty Agreement as of the day and year first above written.

NEWGRANGE ENERGY INC.



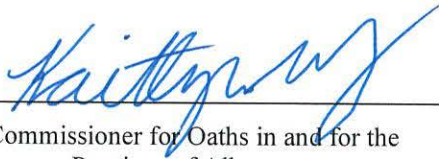
Terry McCallum, President

FREE REIN RESOURCES LTD.



Shaun Addison, VP Exploration

This is Exhibit "N"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

RESOLUTION OF THE DIRECTORS

OF

FREE REIN RESOURCES LTD.

(Consented to in Writing)

Oct 26/18
Issue #16
3000,000
Share for \$1.00
Oct/18.
Escrow

WHEREAS the directors of the Corporation wish to consolidate and roll-back the shares of the Corporation in order to allow for a further distribution of shares to raise capital for the Corporation.

THE BOARD OF DIRECTORS DO HEREBY RESOLVE:

1. Roll-Back and Issuance of Shares

That share certificate number 14 in the name of Edward Jakubowsky for 1,250,000 Common shares be and is hereby cancelled.

That share certificate number 15 in the name of Edward Jakubowsky for 50,000 Common shares be issued.

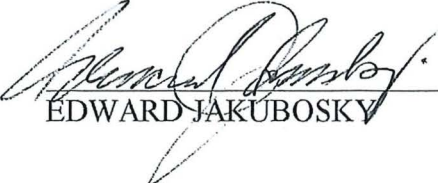
That Share Certificate number 16 in the name of Terry McCallum for 3,000,000 Common shares be issued for total consideration of \$1.00, as of October 1, 2018. An escrow agreement will be executed respecting these shares.

2. Banking Resolution

The Corporation shall set up a new bank account at ATB Financial and the signing authorities for such bank account shall be as follows:

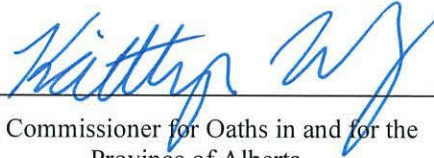
TERRY MCCALLUM
TREVOR DUBLONKO
DARWIN LITTLE

Pursuant to S. 117 of the *Business Corporations Act*, all the Directors of Free Rein Resources Ltd. have consented to the Resolutions hereto as of October 26, 2018, and hereby consent to passage of the above by Consent in Writing.


EDWARD JAKUBOSKY


TERRY MCCALLUM

This is Exhibit "O"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

RESOLUTION OF THE DIRECTORS

OF

FREE REIN RESOURCES LTD.

(Consented to in Writing)

WHEREAS the directors of the Corporation wish to acquire an asset from Newgrange Energy Inc. as Newgrange Energy Inc. was unable to find anyone to purchase the asset and it can be acquired by the Corporation to make use of the Corporation's operators license.

THE BOARD OF DIRECTORS DO HEREBY RESOLVE:

1. Acquisition of Asset

That the Corporation acquire an asset, as of October 27, 2018, known as the Questfire Asset, being mineral rights in the Golden Spike area, from Newgrange Energy.

In exchange for the Questfire Asset, the Corporation agrees to pay \$750,000.00, grant a gross overriding royalty to Terry McCallum (or his nominee), paid as long as it is commercially reasonable to do so, and will assume all liabilities associated with the Questfire asset.

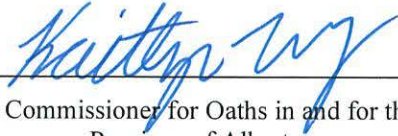
Following the acquisition of the Questfire Asset, the Corporation shall issue all future shares for \$1.00 per share.

Pursuant to S. 117 of the *Business Corporations Act*, all the Directors of Free Rein Resources Ltd. have consented to the Resolutions hereto as of December 15, 2018, and hereby consent to passage of the above by Consent in Writing.


EDWARD JAKUBOSKY


TERRY MCCALLUM

This is Exhibit "P"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

COURT FILE / ESTATE NUMBERS 25-2954304
B201954304

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, C B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FREE REIN RESOURCES LTD.

DOCUMENT **ORDER (FOURTH STAY EXTENSION TO FILE A PROPOSAL)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTIES FILING THIS DOCUMENT

Burnet, Duckworth & Palmer LLP
2400, 525 - 8 Avenue SW
Calgary, Alberta T2P 1G1

Lawyer: David LeGeyt / Ryan Algar
Phone Number: (403) 260-0120 / (403) 260-0126
Fax:(403) 260-0332
Email: dlegeyt@bdplaw.com / ralgar@bdplaw.com
File No. 077501-3

DATE ON WHICH ORDER WAS PRONOUNCED: November 23, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice B. Johnston

UPON THE APPLICATION of Free Rein Resources Ltd. ("**Free Rein**"); AND UPON reading Affidavit No. 4 of Terry McCallum sworn November 13, 2023 ("**McCallum Affidavit No. 4**"); AND UPON hearing submissions by counsel for Free Rein, counsel for FTI Consulting Canada Inc. in its capacity as the proposal trustee of Free Rein (the "**Proposal Trustee**"), and any other counsel or other interested parties present,

IT IS HEREBY ORDERED THAT:

SERVICE

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today, and no other than those persons served is entitled to service of the notice of application.

DEFINED TERMS

2. Capitalized terms not otherwise defined in this Order shall have the meanings set forth in McCallum Affidavit No.4 or the reports of the Proposal Trustee.

EXTENSION OF TIME TO FILE A PROPOSAL

3. The time within which Free Rein is required to file a proposal to its creditors with the Official Receiver under section 50.4 of the *Bankruptcy and Insolvency Act* (Canada) is hereby extended to December 12, 2023.

PROPOSAL TRUSTEE APPROVALS

4. Free Rein is, without the prior written consent of the Proposal Trustee, prohibited from:
 - (a) directly or indirectly entering into any commitments, agreements, or obligations, which includes for certainty executing, assigning, issuing or endorsing any document respecting its business or its property;
 - (b) retaining the services of any person or consultant; and
 - (c) incurring expenditures or costs, or making any payments to any party.

SERVICE

5. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving the same on:
 - (i) the persons listed on the service list in these proceedings;
 - (ii) any other person served with notice of the application for this Order; and

(iii) any other parties attending or represented at the application for this Order;
and

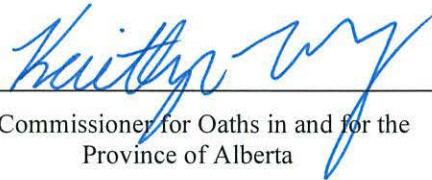
(b) posting a copy of this Order on the Proposal Trustee's website Trustee's website
at: <http://cfcanada.fticonsulting.com/freerein>.

6. Service of this Order may be effected by facsimile, electronic mail, personal delivery, recorded mail or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

BB Johnston

J.C.C.K.B.A

This is Exhibit "Q"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

Anthony Mersich

From: Rod Monden <rod@freereinres.com>
Sent: April-14-23 6:26 PM
To: Chris Wutzke; Terry McCallum
Cc: Samantha Fuss; Sara Pettigrew
Subject: RE: Royalty Response-Free Rein
Attachments: Gray_Jim Shareholder Royalty Agreement Executed.pdf

Hi Chris,
Attached is Jim Gray's signed royalty agreement as a sample.
There are approximately 20 more, I will send the signature pages early next week.
Thanks

From: Chris Wutzke <cwutzke@invicocapital.com>
Sent: Friday, April 14, 2023 1:24 PM
To: Terry McCallum <terry@freereinres.com>; Rod Monden <rod@freereinres.com>
Cc: Samantha Fuss <sfuss@invicocapital.com>; Sara Pettigrew <spettigrew@invicocapital.com>
Subject: FW: Royalty Response-Free Rein

Hi Terry and Rod, just following up on my email of 3 day ago re status of this GORR agreement. Not sure if this has been signed (quite happy if not!), and if so, please provide the copy of executed version. We'll need to understand all these royalty agreements as they represent encumbrances going in, and divestitures/encumbrances for new ones. Thanks.

Chris Wutzke, CPA, CA, CFA, PM
Chief Investment Officer
Invico Capital Corporation

P (587) 330-2018
E cwutzke@invicocapital.com
W www.invicocapital.com
A 209 8th Avenue SW, Suite 600, Calgary AB T2P 1B8



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From: Chris Wutzke
Sent: Tuesday, April 11, 2023 3:13 PM
To: Terry McCallum <terry@freereinres.com>; Rod Monden <rod@freereinres.com>
Cc: Samantha Fuss <sfuss@invicocapital.com>; Sara Pettigrew <spettigrew@invicocapital.com>
Subject: FW: Royalty Response-Free Rein

Hi Terry and Rod,

Forwarding the form of royalty agreement received via counsel late last week. Has this been finalized/executed, and if so, kindly provide the fully executed copy. Do you have an analysis for the economics of this, i.e. the PV10/12 of the 5%/2.5% royalty stream?

We have to be careful of circuitous logic on this. As lender, we are looking for the PDP value to support the loan value, and such PDP value is created from the development activities. We don't see FRR's assets as on or off the book (I'm not sure if this was the terminology you used on the earlier call). So if GORR's are being issued to fund completion of production that was seen as off the book, that doesn't help the PDP all unless it is somehow incremental. Rather, it can potentially undermine/erode PDP value, which is our concern as lender – the PDP value, net of encumbering economic interests such as GORR's, may not increase or may decrease, and therefore the ACR is undermined. Hence our request for the economic analysis of this. Focusing and prioritizing development activities that generate solid netbacks and PDP value as quickly as possible is of prime importance from a loan facility performance point of view (which then de-risks it from the shareholders' perspective).

Sara – cc'ing you as we approach the PDP valuation/review exercise.

Thanks.

c

From: Scott Sangster <ssangster@fasken.com>
Sent: Friday, April 7, 2023 8:10 AM
To: Chris Wutzke <cwutzke@invicocapital.com>; Samantha Fuss <sfuss@invicocapital.com>
Cc: Claudia Honetschlaeger <chonetschlaeger@fasken.com>
Subject: Royalty Response-Free Rein

Please see below and attached to keep you current on this issue.

Thanks.

Scott

Scott Sangster
Partner
T.+1- 403 261 5377
M.+1-403-861-3129
F. +1- 403 261 5351
ssangster@fasken.com
www.fasken.com
Fasken Martineau DuMoulin LLP
3400, 350-7th Avenue SW
Calgary, Alberta
T2P-3N9

This message, and any documents attached hereto, is intended only for the addressee(s) and may contain privileged or confidential information. If you have received this message in error, please notify us immediately so that we may correct our internal records. Please then delete the original message.

Thank you.

From: Simina Ionescu-Mocanu <sionescu@bdplaw.com>
Sent: Thursday, April 6, 2023 6:10:01 PM
To: Claudia Honetschlaeger <chonetschlaeger@fasken.com>; Scott Sangster <ssangster@fasken.com>
Cc: Eno Akpoguma <eakpoguma@bdplaw.com>
Subject: RE: [EXT] RE: Consolidated Free Rein & BDP Comments re: Revised Invico_Free Rein A&R Loan Agreement

Hi Claudia,

I understand our clients will be speaking directly sometime next week about the revisions provided in your email below.

In the interim, attached please find the form of documentation pertaining to the GORR which I understand Free Rein has issued to its shareholders. Free Rein will request that Invico permit this GORR under the new A&R Loan Agreement.

Kind regards,

Simina

Simina Ionescu-Mocanu (she/her)

Partner

P: 403.260.0231

C: 403.880.3669

2400, 525 - 8th Avenue SW, Calgary, AB T2P 1G1

bdplaw.com



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From: Claudia Honetschlaeger <chonetschlaeger@fasken.com>

Sent: Wednesday, April 05, 2023 5:49 PM

To: Simina Ionescu-Mocanu <sionescu@bdplaw.com>; Scott Sangster <ssangster@fasken.com>

Cc: Eno Akpoguma <eakpoguma@bdplaw.com>

Subject: RE: [EXT] RE: Consolidated Free Rein & BDP Comments re: Revised Invico_Free Rein A&R Loan Agreement

Hi Simina,

Attached, please find a further revised A&R Loan Agreement incorporating the comments of both Fasken and Invico.

The attached remains expressly subject to continuing review and comment by Invico.

Please let us know if you have any questions or comments. We're happy to discuss.

Kindly

Claudia

Claudia Honetschlaeger (she/her)

Associate

T +1 403 261 8493 | chonetschlaeger@fasken.com

Fasken Martineau DuMoulin LLP

From: Simina Ionescu-Mocanu <sionescu@bdplaw.com>

Sent: March-31-23 6:03 PM

To: Scott Sangster <ssangster@fasken.com>; Claudia Honetschlaeger <chonetschlaeger@fasken.com>
Cc: Eno Akpoguma <eakpoguma@bdplaw.com>
Subject: [EXT] RE: Consolidated Free Rein & BDP Comments re: Revised Invico_Free Rein A&R Loan Agreement

Scott and Claudia,

Attached please find the consolidated comments of BDP and Free Rein on the revised draft A&R Loan Agreement.

The attached remain subject in all respects to the continuing review and sign-off of Free Rein and its Board.

Please let us know if you have any questions or would like to discuss.

Kind regards,

Simina

Simina Ionescu-Mocanu (she/her)

Partner

P: 403.260.0231

C: 403.880.3669

2400, 525 - 8th Avenue SW, Calgary, AB T2P 1G1

bdplaw.com



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From: Scott Sangster <ssangster@fasken.com>
Sent: Thursday, March 30, 2023 12:30 PM
To: Simina Ionescu-Mocanu <sionescu@bdplaw.com>; Eno Akpoguma <eakpoguma@bdplaw.com>
Cc: Claudia Honetschlaeger <chonetschlaeger@fasken.com>
Subject: [EXT] Revised Invico_Free Rein A&R Loan Agreement

Simina/Eno-based on instructions from Invico, attached please find the following:

- 1.revised blacklined amended and restated loan agreement indicating changes (changed pages only);
- 2.revised "clean" amended and restated loan agreement;and
- 3.standalone signature page for #1 above for execution by the Borrower.

I am travelling for most of tomorrow; please ensure that any responses from your end include Claudia so we are able to respond on a timely basis.

Thanks,

Scott

Scott Sangster

Partner

T +1 403 261 5377 | M +1 403 861 3129 | ssangster@fasken.com

From: Simina Ionescu-Mocanu <sionescu@bdplaw.com>

Sent: March-28-23 3:47 PM

To: Claudia Honetschlaeger <chonetschlaeger@fasken.com>; Eno Akpoguma <eakpoguma@bdplaw.com>

Cc: Scott Sangster <ssangster@fasken.com>

Subject: [EXT] RE: Invico_Free Rein A&R Loan Agreement - DRAFT

Hi Claudia,

Nice seeing your name on this! Hope all is well.

We'll review the draft (and your question below regarding the GORR) with Free Rein and revert.

Simina

Simina Ionescu-Mocanu (she/her)

Partner

P: 403.260.0231

C: 403.880.3669

2400, 525 - 8th Avenue SW, Calgary, AB T2P 1G1

bdplaw.com



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From: Claudia Honetschlaeger <chonetschlaeger@fasken.com>

Sent: Tuesday, March 28, 2023 3:32 PM

To: Simina Ionescu-Mocanu <sionescu@bdplaw.com>; Eno Akpoguma <eakpoguma@bdplaw.com>

Cc: Scott Sangster <ssangster@fasken.com>

Subject: [EXT] Invico_Free Rein A&R Loan Agreement - DRAFT

Hi Simina and Eno,

Hope you're both well!

Attached, please find the above-mentioned document, together with a blackline to the execution version of the Original Loan Agreement.

Please note that the attached remains expressly subject to further comment by Invico.

Additionally, Invico has advised that the Borrower may be considering, or has recently entered into, a GORR for some or all of the borrowing base properties that are subject to Invico's collateral security. Could you please provide copies of such GORR documentation, to the extent the same is available.

Please let us know if you have any questions or comments regarding the attached.

Kindly,
Claudia

Claudia Honetschlaeger (she/her)

Associate

T +1 403 261 8493

chonetschlaeger@fasken.com | www.fasken.com/en/Claudia-Honetschlaeger

FASKEN

Fasken Martineau DuMoulin LLP

350 7th Avenue SW, Suite 3400, Calgary, Alberta T2P 3N9



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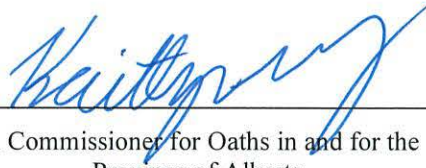
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This is Exhibit "R"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

ROYALTY AGREEMENT

THIS AGREEMENT made as of March 8, 2023.

BETWEEN:

FREE REIN RESOURCES LTD., a body corporate, having an office at the City of Calgary, in the Province of Alberta; (hereinafter referred to as "**Royalty Payor**")

- and -

THOSE PARTIES SET FORTH AND DESCRIBED IN SCHEDULE "A" (hereinafter collectively referred to as the "**Royalty Owner**")

WHEREAS the parties have agreed that the Royalty Owner shall have a gross overriding royalty interest in all Petroleum Substances produced, saved and marketed from the Royalty Well, all as more particularly set out herein.

NOW THEREFORE THIS ROYALTY AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereinafter set forth, the parties agree as follows:

1. DEFINITIONS

In this Royalty Agreement including the recitals and this clause, unless the context otherwise requires, the following terms shall have the meanings hereinafter assigned thereto:

- a) "Affiliate" shall have the meaning ascribed thereto in the Business Corporations Act (Alberta), as amended from time to time.
- b) "Acquisition Date" shall mean the date or dates as set forth in Schedule "A" which is the date that the Royalty Payor acquired its interest in the Royalty Well.
- c) "Condensate" shall mean a mixture mainly of pentanes and heavier hydrocarbons that may be containing Sulphur, or other associated compounds, that is recovered or is recoverable at the well from an underground reservoir and that may be gaseous in its virgin reservoir state but is liquid at the conditions under which its volume is measured or estimated.
- d) "Crude Oil" shall mean a mixture mainly of pentanes and heavier hydrocarbons (whether or not containing Sulphur, or other associated compounds) that is recovered at a well from an underground reservoir and that is liquid at the conditions under which its volume is measured or estimated and shall include crude naphtha that is so recovered.
- e) "Ellerslie Formation" means the depths of 1371-1377mMD and 1380-1386mMD on the attached log for the 100/06-26-051-27W4/00 well as more particularly set out on Schedule "B".
- f) "Facility Usage" shall mean the Royalty Payor's use of facilities beyond those included in equipping costs to make merchantable and to deliver to market Petroleum Substances produced from Royalty Well, including as applicable, the gathering, compression,

treatment, processing and transportation, but excluding any basis adjustments made in the determination of the Market Price of Natural Gas.

- g) "Market Price" shall mean the price at which Petroleum Substances are sold by the Royalty Payor pursuant to clause 0, which price shall not be unreasonable, having regard to market conditions applicable to similar arm's length transactions at the applicable time, including without limitation, such factors as the volumes available, the kind and quality of petroleum substances to be sold, the effective date of the sale, the term of the sale, the point of sale and the type of transportation service available, and for sales of Natural Gas shall be not less than the one month spot index price received by the Royalty Payor in Alberta for the month of production subject to reasonable transportation basis adjustments.
- h) "Natural Gas" shall mean raw gas or marketable gas as the context so requires, as those terms are defined in the Oil and Gas Conservation Act (Alberta), as amended from time to time.
- i) "Natural Gas Liquids" shall mean propane, butane, pentanes plus, or a combination of them, obtained from the processing of Natural Gas or Condensate.
- j) "Overriding Royalty" shall mean the percentage of Petroleum Substances produced from the Royalty Well calculated in accordance with the provisions of this Royalty Agreement payable by the Royalty Payor to the Royalty Owner.
- k) "Petroleum Substances" shall mean all Crude Oil, Natural Gas, Condensate, Natural Gas Liquids, related hydrocarbons, Sulphur, and every other substance produced from the Ellerslie Formation through the Royalty Well.
- l) "Point of Measurement" shall mean the first point at which Petroleum Substances are or can be metered, measured or allocated downstream of the wellhead following the basic processing
- m) "Regulations" shall mean all statutes, laws, rules, orders and regulations in effect from time to time.
- n) "Royalty Well" shall mean the well set out in the attached Schedule "A".

All derivations of the foregoing shall bear the corresponding meanings.

2. CREATION OF OVERRIDING ROYALTY

- a) The Royalty Owner does hereby reserve to itself and the Royalty Payor does hereby grant to Royalty Owner the Overriding Royalty on Petroleum Substances produced from the Royalty Well as described in this Royalty Agreement and based upon the interest of the Royalty Payor as set forth in the attached Schedule "A". The Overriding Royalty is intended to be an interest in the Royalty Well, and to be a covenant running therewith.
- b) The Overriding Royalty will be calculated at the Point of Measurement as follows:
 - i) For all Petroleum Substances 5% of the gross monthly production for the first 36 months of production and 2.5% of the gross monthly production thereafter.

The Overriding Royalty shall be payable by Royalty Payor to Royalty Owner in

accordance with this Agreement and attached Schedules.

- c) The Royalty Payor shall deliver the Overriding Royalty to Royalty Owner:
 - i) By selling the Overriding Royalty (or a portion thereof) on behalf of Royalty Owner and accounting for the proceeds thereof in accordance with clause 3
- d) Subject to the other provisions of this Royalty Agreement, the Royalty Payor is hereby appointed as the agent of the Royalty Owner for the handling and disposition of the Overriding Royalty. All acts of the Royalty Payor under this Clause in the handling and disposition of those Petroleum substances and the receipt of proceeds of sale therefrom will be as trustee for the Royalty Owner.
- e) The Royalty Payor shall not be required to account to Royalty Owner for that portion of the Overriding Royalty that Royalty Payor (or the operator of the Royalty Well) reasonably uses or unavoidably loses in the recompletion operation and production operations for the Royalty Well.

3. OVERRIDING ROYALTY- NO DEDUCTIONS

To the extent that the Royalty Payor disposes of the Overriding Royalty on behalf of the Royalty Owner, except to the extent otherwise agreed by the Royalty Payor and the Royalty Owner, insofar as the Royalty Payor takes possession of the Overriding Royalty as agent of the Royalty Owner, the Royalty Payor will dispose of those Petroleum Substances by:

- a) Selling those Petroleum Substances at a Market Price and accounting to the Royalty Owner for the proceeds of the sale; or
- b) Purchasing those Petroleum Substances for the Royalty Payor's own account (or the account of Affiliate) at a Market Price and accounting to the Royalty Owner therefore.

4. PAYMENT OF ROYALTY

- a) If the Royalty Payor receives funds on account of or as the proceeds of sale of the production of Petroleum Substances comprising the Overriding Royalty, the Royalty Payor will receive the Royalty Owner's share of those funds as trustee for the Royalty Owner.
- b) The Royalty Payor must remit to the Royalty Owner all funds accruing to the Royalty Owner on account of the Overriding Royalty on or before the 25th day of the calendar month next following the calendar month in which the Royalty Payor received those funds. For the timing of receipt of proceeds in this Clause, "received" will be read as "normally received" if the purchaser of those Petroleum Substances fails to pay the Royalty Payor for that production.
- c) The Royalty Payor, when submitting to the Royalty Owner all monies accruing to the Royalty Owner, shall include a statement showing the quantity and kind of the Petroleum Substances produced, saved and sold from the Royalty monthly, the Market Price, together with a calculation of the Overriding Royalty from such proceeds.

5. OPERATIONS ON THE ROYALTY WELL

- a) The Royalty Payor shall make every reasonable endeavor within its legal authority to market any of the Petroleum Substances produced or capable of being produced from the Royalty Well ratably with any other similar substances produced from any lands within the same pool in which the Royalty Payor or any Affiliate has an interest and further the Royalty Payor covenants that it will not discriminate against the Petroleum Substances produced or capable of being produced from the Royalty Well in the production and marketing of the same.
- b) The Royalty Payor shall have the right to commingle Petroleum Substances produced from the Royalty Well with Petroleum Substances produced from other zones,
- c) The Royalty Payor shall pay all rentals, royalties, taxes and charges payable under the provisions of the applicable leases or with respect to the Royalty Well and the production therefrom, either directly or by reimbursing the Royalty Owner, and shall keep the applicable leases in good standing until surrender thereof as herein provided for and shall not allow the Leases to terminate or become subject to forfeiture.
- d) The Royalty Payor (or the operator of the Royalty Well) shall not be required to account for that portion of the Overriding Royalty that it reasonably uses or unavoidably loses in drilling and production operations for the Royalty Well including the proportionate use of those Petroleum Substances in batteries, treaters, compressors, separators, satellites and similar equipment serving Royalty Well,

6. CORPORATE SALE OF ROYALTY PAYOR

In the event of the corporate sale of the Royalty Payor:

- a) the Overriding Royalty shall terminate; and
- b) the Royalty Owner will be entitled to a cash payment for the Overriding Royalty equal to the value equivalent of a flat rate gross overriding royalty, calculated using the Royalty Payor's net present value before tax basis with an associated 10% discount rate at then current published Royalty Payor's IQRE (being either Sproule, GLJ, or McDaniels) pricing with no deductions whatsoever, at the time of closing such corporate transaction.

7. NOTICES

- a) All notices to be given hereunder shall be in writing and may be served:
 - i) Personally, by leaving them with the party on whom they are to be served at the party's address hereinafter given, provided such delivery shall be during normal business hours. Notices so served shall be deemed received by the addressee when actually delivered; or
 - ii) By email (or by any other like method by which a written message may be sent) directed to the party on whom they are to be served at the party's address hereinafter given. Notices so served shall be deemed received by the addressee when actually received by it within the normal working hours of a business day or at the commencement of the next ensuing business day following transmission thereof, whichever is the later; or

- b) The address the Royalty shall be:

FREE REIN RESOURCES LTD.
#3900, 350-7th Ave SW
Calgary AB
T2P 3N9
Email: natalie@freereinres.com
- c) The address for service of each Royalty Owner shall be as set out in Schedule "A".
- d) Any party may change its address by notice served as provided above.

8. ASSIGNMENT

The assignment of interests and obligations in this Royalty Agreement shall only be effective against the other party if the assignor and the assignee have complied with the terms of the 1993 Canadian Association of Petroleum Landmen Assignment Procedure, which shall be deemed to be included herein by reference. In the absence of an assignment in accordance with the foregoing or Royalty Owner's written consent, Royalty Payor shall remain liable for the payment of the Overriding Royalty notwithstanding that it may no longer have any interest in the Royalty Well from which such Petroleum Substances are produced, or that it may not be receiving the production or proceeds of production therefrom.

9. ROFR

Should the Royalty Owner intend to make a disposition of any of its Overriding Royalty interest hereunder, it shall advise the Royalty Payor of the proposed transaction and thereafter Clause 24.01B of the CAPL 2015 Overriding Royalty, and associated definitions in Article 1.00 therein, shall apply mutatis mutandis to the disposition and is adopted and incorporated by this reference into this section and shall govern the terms and conditions of the proposed disposition, including the following elections and amendments to said Clause 24.01B:

- a) the Royalty Owner shall be the Disposing Party;
- b) no time limit shall apply to the right of first refusal and as such no date will be inserted in the blank in the second line of Clause 24.01.B(a); and
- c) Joint Lands and Working Interest shall mean the Royalty Owner's share of the Overriding Royalty interest.

10. MULTIPLE ROYALTY PAYORS

If the Royalty Payor comprises at any time more than one party:

- a) The Royalty Payer's obligations and liabilities to the Royalty Owner will be joint and several.
- b) All rights, duties, obligations, elections and privileges to which Royalty Payor is entitled under this Royalty Agreement shall be shared and may be separately exercised by each party comprising the Royalty Payor in the proportions in which they from time to time own the working interests in the Royalty Well.

- c) The Royalty Payors shall designate one of them as their representative under this Clause and shall be bound by the acts and elections of that representative acting in that capacity; and
- d) The Royalty Owner may deal solely with the Royalty Payor designated by notice as the Royalty Payer's representative from time to time, provided that the Royalty Owner will provide each Royalty Payor with notices the Royalty Owner serves to the Royalty Payor representative.

11. MISCELLANEOUS;

- a) This Royalty Agreement and the relationship amongst the parties hereto shall be construed and determined according to the laws of the Province of Alberta and each party hereto does attorn to the exclusive jurisdiction of the courts of the Province of Alberta with respect to any matter arising out of this Royalty Agreement.
- b) The parties hereto shall from time to time and at all times do such further acts and execute and deliver such further deeds and documents as shall be reasonably required in order to fully perform and carry out the terms and intent of this Royalty Agreement.
- c) No waiver by either party hereto of any breach of any of the conditions and provisions herein contained shall be effective or be binding upon the other party unless the same is expressed in writing, and any waiver so expressed shall not limit or affect its right with respect to any other or future breach.
- d) Time is of the essence of this Royalty Agreement.
- e) Subject to clause 8, this Royalty Agreement shall endure to the benefit of and be binding upon the parties hereto, their heirs, successors and permitted assigns.
- f) The headings of the clauses of this Royalty Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Royalty Agreement.

IN WITNESS WHEREOF THE PARTIES have duly executed this Royalty Agreement as of the day and year first above written.

FREE REIN RESOURCES LTD.

Per: *Natalie Heffernan*
Natalie Heffernan
VP Land & BD

Per: _____

[THIS IS THE SIGNATURE PAGE TO A ROYALTY AGREEMENT MADE AS OF MARCH 8, 2023]

SCHEDULE "A" TO THE ROYALTY AGREEMENT DATED MARCH 8, 2023

ROYALTY WELL

| Well | Production Rights | Operator | Royalty Payor Ownership |
|--------------------|----------------------------|-------------------------------|--------------------------------|
| 100/06-26-051-27W4 | PNG in Ellerslie Formation | Free Rein Resources Ltd. 100% | 100% |

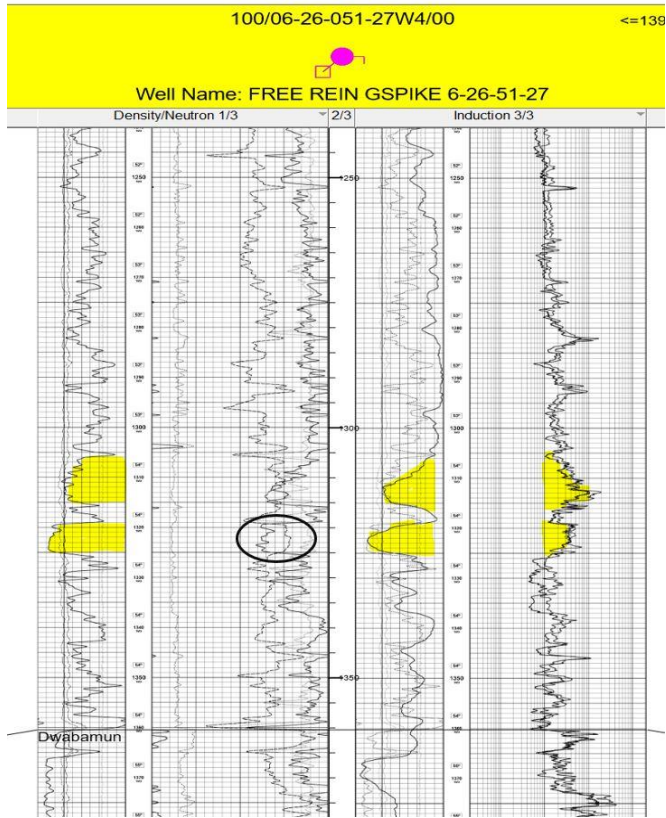
Note: In the event the Royalty Well is recompleted to include comingled production not within the Ellerslie Formation, the Royalty Owner shall prepare a vertical production allocation statement to allocate production between this Agreement and such non-Ellerslie Formation comingled production.

ROYALTY OWNERS AND SHARE OF ROYALTY

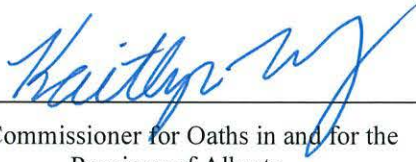
| Royalty Owner | Address for Service | Acquisition Date | Share of Overriding Royalty |
|----------------------|----------------------------|-------------------------|------------------------------------|
| | | March 8, 2023 | |
| | | | |
| | | | |

SCHEDULE "B" TO THE ROYALTY AGREEMENT DATED MARCH 8, 2023

ELLERSLIE FORMATION



This is Exhibit "S"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388




FREE REIN RESOURCES

Memorandum of Understanding

This Agreement is made as of May 1, 2020 between Free Rein Resources Ltd. (a body corporate registered in the Province of Alberta) ("**Free Rein**") and Nucor Environmental Solutions Ltd. (a body Corporate registered in the Province of Alberta) ("**NES**").

1. Whereas Free Rein and NES wish to enter into a Joint Venture agreement to partner in Free Rein's Golden Spike assets (surface leases, mineral rights, and wellbores) to construct a Waste Management Facility.
2. It is agreed and understood that both parties wish to move this forward and will use their best efforts to:
 - a. Create a business and financial plan to create a joint venture on the Golden Spike and other opportunities.
3. It is also agreed that Free Rein is intending to obtain the appropriate surface lease and approvals from the regulators and companies in the area, and at times NES and Free Rein will be represented as each other's partner.
4. NES will be the operator of the Golden Spike lands and shall construct and conduct day to day operations at the facility, while Free Rein manages the downhole work on the wells.
5. NES shall broker contracts that will come into the facility(s) and Free Rein will share contacts in the surrounding area as needed in other companies.
6. The parties agree to negotiate a mutually agreeable Joint Venture Agreement incorporating the terms of this agreement on or before May 31, 2020. If the agreement is not executed by such date, this agreement shall terminate.
7. For the period from the date of this MoU and the formal Joint Venture Agreement is executed, the parties shall not use confidential information to seek or attain in any way any opportunity disclosed to each other.
8. Each Party agrees not to, directly or indirectly, during the Term of this Agreement make any offer of employment or engagement to, nor enter into an employment or consulting relationship with, any existing employee of the other Party.
9. This execution of the Joint Venture Agreement and is subject to full due diligence, and final management approval from both parties.
10. The parties agree that time is of the essence and will diligently work jointly to meet this goal.

If you are in agreement, please acknowledge below.

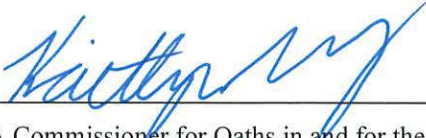
Signature  Eli Hazlehurst



Nucor Environmental Solutions Ltd.

Free Rein Resources Ltd.

This is Exhibit "T"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

June 1, 2020

Eli Hazlehurst
Nucor Environmental Solutions Ltd.
18208 – 102 Ave NW
Edmonton, AB
T5S 1S7

Attention: Mr. Hazlehurst

**Re: Joint Venture to Construct Water Disposal
Facility Twp 51 Rge 27 W4M
Devon Area, Alberta**

Mr. Hazlehurst,

We agree:

- Nucor Environmental Solutions Ltd. (**NES**) will enter into arrangements with third parties to collect, transport and dispose of Industrial Water/ Hydro Vac Slurry (at its cost all required permits, wellbores, surface access, and mineral rights to facilitate the disposal and storage of the compatible industrial water in subsurface reservoirs.

FRR is prepared to enter into an agreement (the "**Joint Venture Agreement**") with NES for the construction of a water disposal facility (the "**Disposal Facility** ") and providing for the ongoing disposal of the industrial water and revenue sharing between FRR and NES in respect thereof (the "**Parties**"). This Letter Agreement will set out the basic terms and conditions that will form the essence of the Joint Venture Agreement, to wit:

1. "**Joint Venture Area**" consists of FRR's interest in the Schedule A leases and wellbore at 13-23-51-27 W4M.
2. Effective Date is June 1, 2020.
3. NES commits to fund the design, construction and commissioning of the Disposal Facility and ancillary equipment (see Schedule 'B'), including downhole equipment, to full functionality on the Joint Venture Area. This Disposal Facility will be owned by Free Rein Resources 100% and surface equipment shall be owned by NES as to 100%. For the avoidance of doubt, the Parties confirm that NES shall not become entitled to any interest in any mineral rights in the Nisku formation. This applies to 'Phase One' of the parties' operations.
4. Upon NES having fulfilled its obligations under Clause 3 hereof share on the basis of NES as to 50% and FRR as to 50% all revenues generated by the Disposal Facility from the NES Water Contracts, subject to payment of **Operating Costs** and **Joint Venture Expenses** to be shared on the following basis:

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Fixed Operating Costs (see Schedule 'C')

- a. Vehicle Lease/Allowance Expense
- b. Vehicle Insurance
- c. Vehicle Fuel
- d. Vehicle Repairs & Maintenance
- e. Cellular & Radios
- f. Liability Insurance
- g. Licenses & Misc. Insurance/Claims
- h. Utilities
- i. Property Tax
- j. Site Manager
- k. Wellsite R&M
- l. Wellsite Operator

Fixed Joint Venture Expenses

- m. Administration Wages
- n. Bank Charges
- o. Computer Services
- p. Safety/Training/Conferences
- q. Professional Fees
- r. Office Supplies/Expenses
- s. Courier Service

- 5. The following schedules are attached to and made a part of this agreement by reference: a. Schedule "A" - Description of Joint Venture Area Schedule 'B'- NES site equipment list; Schedule 'C'- Operating and joint Venture Expenses
- 6. NES shall make the following specific reports and other reports as FRR and NES may deem advisable from time to time, available to FRR:
 - a. During the construction daily communication between NES and FRR to provide ongoing and timely updates. A report to be provided weekly to include all such information covering a period or periods not older than the two (2) weeks immediately preceding the date of the mailing of such reports as will apprise FRR of all phases of the program.
 - b. Any special reports, studies or other work requested by FRR but not required for preparation of the above will be charged at cost to FRR, not including costs associated with water analysis while securing water contracts.
- 7. NES shall provide a monthly summary of contracts, analysis, financial information and proceeds of the sale of production. Should FRR require information outside of monthly reporting NES will make every effort to deliver the information in a timely manner.

8. NES shall be appointed as the initial operator of the Joint Venture; provided however that the Parties acknowledge and confirm that NES and the operation of the Disposal Facility shall at all times be subject to any operational restrictions, constraints or directives provided by FRR for any downhole work required for the injection wells. To be clear, this site will only be used as a Disposal Facility with FRR.
9. Except as otherwise provided for herein, if the interest of any Party in the Disposal Facility is now or hereafter becomes encumbered by any royalty, overriding royalty, production payment or other charge of a similar nature, such royalty, overriding royalty, production payment or other charge of a similar nature shall be charged to and wholly paid by the Party whose interest is or become so encumbered.
10. The liability of each of the Parties shall be several and not joint or collective, and each Party shall be responsible only for its obligations as herein set forth. It is expressly declared that it is not the purpose of this Letter Agreement to create any association, partnership or syndicate and that neither this Letter Agreement nor the operations hereunder shall be construed or considered as creating any association, partnership or syndicate.
11. Prior to and throughout the continuation of operations on or in respect of the Joint Venture Area pursuant to this Letter Agreement or the Joint Venture Agreement, NES will maintain insurance for the benefit of itself and FRR with a reputable insurance company. NES agrees to advise FRR of any changes, additions or deletions to such insurance thirty (30) days in advance of the effective date of such change. The cost of such insurance shall be borne by the Parties in the proportions in which they share the costs of the operations for which and at such times as the insurance applies
 - a. NES and FRR shall name each other as an insured party prior to the commencement of all the operations.
 - b. It is understood that any loss or claim arising out of operations which exceeds the coverage of such insurance carried pursuant hereto shall be borne by the parties in the proportions in which they share the estimated and actual costs of such operation for which such loss or claim applies.
12. From and after the date of this Letter Agreement FRR shall cause to be paid or be responsible for the payment of all rents, taxes and royalties payable with respect to the Agreement Area and agrees to ensure leases in good standing.
13. "Force Majeure" means acts of the elements, epidemic, flood, explosion, fire, lightning, earthquake, war, riot, civil disturbance, strike, government order, decision or administrative ruling, government inaction, military action, insurrection, terrorists or anti-government act, embargoes, acts of God, inability to obtain equipment, supplies or fuel or any other circumstances which are unforeseeable, sudden, insurmountable and outside the control of the Parties and not caused by the action or negligence of the Party claiming suspension (other than the obligation of any Party to meet its financial commitments under this Agreement as they fall due). The obligations of a Party to this Letter Agreement shall be suspended and it shall not be liable for damages during the time and to the extent that such Party is prevented from complying with its obligations under this Letter Agreement in whole or in part by Force Majeure, but such party shall, as far as possible, remedy the cause of such non-compliance with all reasonable dispatch, except that this requirements

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does not impose upon such party the necessity to settle strikes, lockouts or other labour difficulties to its detriment.

14. This Letter Agreement shall commence as of the Effective Date and shall continue until terminated by either Party giving sixty (60) Days' prior notice to the other Party; provided, however, that FRR shall be obligated to reimburse NES for any costs incurred for the site construction IF the revenue received by NES has not covered the initial costs, and FRR will owe the difference on the equipment minus the salvage value. NES retains the surface equipment related to the site construction. Notwithstanding the termination of this Agreement, the provisions respecting liability and indemnification, the settlement of accounts and the operator's remedies in respect thereof, shall remain in full force and effect to the extent of any liabilities which may have accrued prior to the termination of this Letter Agreement.
15. Either Party may assign its interest in this Letter Agreement with the prior written consent of the other Party, not to be unreasonably withheld. For the avoidance of doubt the Parties confirm that upon any assignment by FRR of its interests in the Joint Venture Area, NES shall have no right to acquire any interest in the Disposal Facility, and FRR may at its sole discretion cause FRR to terminate this Letter Agreement pursuant to Clause 15; provided however that if this Letter Agreement is so terminated prior to NES receiving the Payout Amount, FR and/or FRR shall be obligated to reimburse NES for any amounts outstanding.
16. FRR will be monitoring the pressures of the subsurface reservoir associated with the Disposal Facility, and in the case of over pressuring of the subsurface reservoir, any direction from the AER or other regulator, or otherwise on the advice of FRR, the acceptance of any inlet substances delivered to the Disposal Facility by NES or other companies will be cut back at FRR's sole discretion acting reasonably.
17. Both parties agree that this Disposal Facility is the start of a partnership between FRR and NES. FRR will not partner with another company to construct other Facilities whilst the relationship remains whole and the initial Facility is operating profitably, and NES agrees to not construct or operate any Transfer Stations in the Golden Spike area outside of FRR.
18. This Letter Agreement and the relationship amongst the Parties hereto shall be construed and determined according to the laws of the Province of Alberta and each Party hereto does attorn to the jurisdiction of the courts of the Province of Alberta with respect to any matter arising out of this Letter Agreement.
19. The addresses for service of notices under this Letter Agreement shall be as follows:

Free Rein Resources Ltd.
Suite 3900-350 7th Ave SW
Calgary, Alberta T2P3N9

Attention: Natalie laquinta

Nucor Environmental Solutions Ltd.
18208 102 NW,
Edmonton, Alberta T5S1S7

Attention Eli Hazlehurst

5A

Any Party may from time to time change its address for service hereunder on written notice to the other Party. Any notice may be served by personal delivery or by mailing the same by registered post. Postage prepaid, in a properly addressed envelope addressed to the Party to whom the notice is to be given at its address for service hereunder and shall be deemed to be received five (5) business days after the mailing thereof. Any notice may be served by prepaid telegram or facsimile addressed to the Party to whom such notice is to be given at such Party's stated address for service and any such notice so served shall be deemed to be given to and received by the addressee eighteen (18) hours after the time of delivery to the telegraph office or transmission, Saturdays, Sundays and statutory holidays (at point of sending and destination) excepted. Any notice may also be given by telephone followed immediately by letter, telegram or facsimile, and any notice so given shall be deemed to have been received as of the date and time of the telephoned notice PROVIDED HOWEVER, that in the event of any general postal disruption, notices shall not be served by mail.

Each of the Parties hereto shall from time to time do all such further acts and execute and deliver all such further documents as shall be reasonably required in order fully to perform and carry out the terms of this Letter Agreement including in respect of the processing of inlet substances delivered to the Disposal Facility by FRR, which shall require the preparation and delivery of a disposal agreement in a form and substance satisfactory to NES and FRR.

18. This Letter Agreement shall ensure to the benefit of and shall bind the parties hereto and their respective successors and permitted assigns and the heirs, executors, administrators and assigns of natural persons who are or become parties hereto.

Please indicate your agreement to the foregoing by signing and returning one copy of this Letter Agreement the undersigned. Thank you.

IN WITNESS WHEREOF, the parties have executed this Agreement this ¹⁵ day of June, 2020

Free Rein Resources Ltd.

Per: Natalie laquinta
Natalie laquinta
VP Business Development
Free Rein Resources Ltd.

Angelo Hazlehurst
Witness:

Eli Hazlehurst
Eli Hazlehurst, Sr. Manager
Nucor Environmental
Solutions Ltd.

'SCHEDULE 'A'

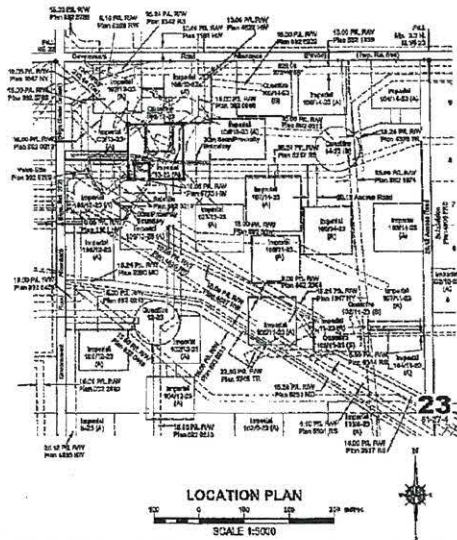
Existing - 0.89 acres
 Addition - 2.49 acres
 Access - 0.64 acres
 Total - 4.02 acres

Exhibit "A"

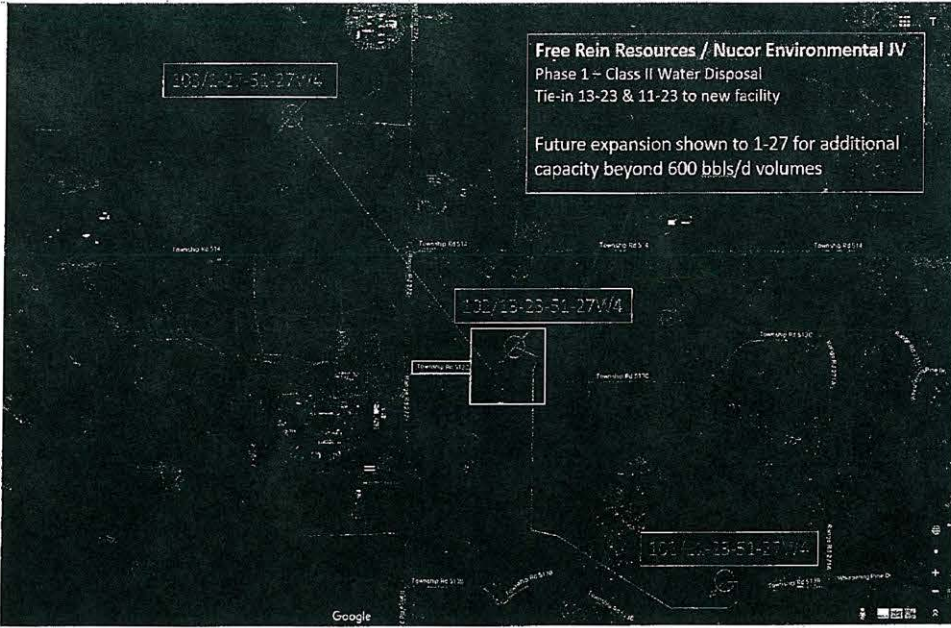
[Signature]
 Imperial Oil Resources Limited
 Douglas Flouiden - Senior Landman

[Signature]
 Free Rein Resources Ltd.

Exhibit "A"



| NO. | WELL | TYPE | STATUS | DATE | DEPTH | PERMITS | REMARKS |
|-----|--------------|-------|--------|------|-------|---------|---------|
| 01 | IMPERIAL 100 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 02 | IMPERIAL 101 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 03 | IMPERIAL 102 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 04 | IMPERIAL 103 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 05 | IMPERIAL 104 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 06 | IMPERIAL 105 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 07 | IMPERIAL 106 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 08 | IMPERIAL 107 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 09 | IMPERIAL 108 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 10 | IMPERIAL 109 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 11 | IMPERIAL 110 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 12 | IMPERIAL 111 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 13 | IMPERIAL 112 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 14 | IMPERIAL 113 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 15 | IMPERIAL 114 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 16 | IMPERIAL 115 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 17 | IMPERIAL 116 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 18 | IMPERIAL 117 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 19 | IMPERIAL 118 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 20 | IMPERIAL 119 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 21 | IMPERIAL 120 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 22 | IMPERIAL 121 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 23 | IMPERIAL 122 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 24 | IMPERIAL 123 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 25 | IMPERIAL 124 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 26 | IMPERIAL 125 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 27 | IMPERIAL 126 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 28 | IMPERIAL 127 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 29 | IMPERIAL 128 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 30 | IMPERIAL 129 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 31 | IMPERIAL 130 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 32 | IMPERIAL 131 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 33 | IMPERIAL 132 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 34 | IMPERIAL 133 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 35 | IMPERIAL 134 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 36 | IMPERIAL 135 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 37 | IMPERIAL 136 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 38 | IMPERIAL 137 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 39 | IMPERIAL 138 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 40 | IMPERIAL 139 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 41 | IMPERIAL 140 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 42 | IMPERIAL 141 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 43 | IMPERIAL 142 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 44 | IMPERIAL 143 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 45 | IMPERIAL 144 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 46 | IMPERIAL 145 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 47 | IMPERIAL 146 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 48 | IMPERIAL 147 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 49 | IMPERIAL 148 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 50 | IMPERIAL 149 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 51 | IMPERIAL 150 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 52 | IMPERIAL 151 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 53 | IMPERIAL 152 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 54 | IMPERIAL 153 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 55 | IMPERIAL 154 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 56 | IMPERIAL 155 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 57 | IMPERIAL 156 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 58 | IMPERIAL 157 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 59 | IMPERIAL 158 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 60 | IMPERIAL 159 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 61 | IMPERIAL 160 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 62 | IMPERIAL 161 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 63 | IMPERIAL 162 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 64 | IMPERIAL 163 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 65 | IMPERIAL 164 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 66 | IMPERIAL 165 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 67 | IMPERIAL 166 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 68 | IMPERIAL 167 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 69 | IMPERIAL 168 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 70 | IMPERIAL 169 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 71 | IMPERIAL 170 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 72 | IMPERIAL 171 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 73 | IMPERIAL 172 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 74 | IMPERIAL 173 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 75 | IMPERIAL 174 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 76 | IMPERIAL 175 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 77 | IMPERIAL 176 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 78 | IMPERIAL 177 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 79 | IMPERIAL 178 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 80 | IMPERIAL 179 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 81 | IMPERIAL 180 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 82 | IMPERIAL 181 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 83 | IMPERIAL 182 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 84 | IMPERIAL 183 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 85 | IMPERIAL 184 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 86 | IMPERIAL 185 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 87 | IMPERIAL 186 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 88 | IMPERIAL 187 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 89 | IMPERIAL 188 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 90 | IMPERIAL 189 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 91 | IMPERIAL 190 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 92 | IMPERIAL 191 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 93 | IMPERIAL 192 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 94 | IMPERIAL 193 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 95 | IMPERIAL 194 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 96 | IMPERIAL 195 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 97 | IMPERIAL 196 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 98 | IMPERIAL 197 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 99 | IMPERIAL 198 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 100 | IMPERIAL 199 | WATER | ACTIVE | 0 | 100 | 100 | ... |
| 101 | IMPERIAL 200 | WATER | ACTIVE | 0 | 100 | 100 | ... |



Free Rein Resources / Nucor Environmental JV
 Phase 1 - Class II Water Disposal
 Tie-in 13-23 & 11-23 to new facility

Future expansion shown to 1-27 for additional capacity beyond 600 bbls/d volumes

[Handwritten signature]

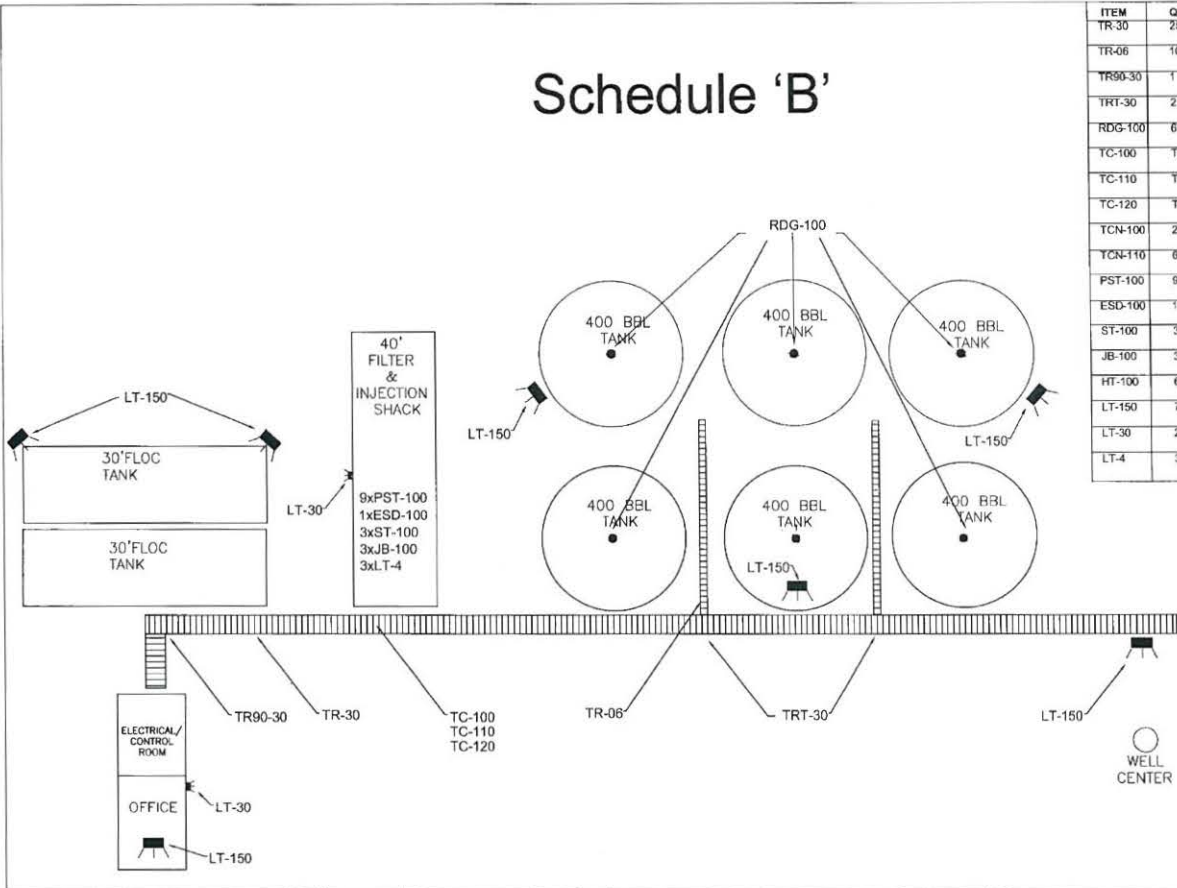
Schedule
'B'

- GRUNDFOS CRN32-2-2 PUMP
- 2 STAGE PUMP
- 316 STAINLESS STEEL IMPELLERS
- STAINLESS STEEL PUMP HOUSING
- VITON ELASTOMERS
- **DESIGN SPEED OF 3600 RPM C/W 213TC MOTOR STOOL**
- 2.5" ANSI 150# SUCTION & DISCHARGE FLANGES
- SINGLE CARTRIDGE MECHANICAL SEAL (SiC/SiC/VITON/SS)
- COUPLING AND COUPLING GUARD
- PLEASE REVIEW THE ATTACHED DATA SHEET FOR ADDITIONAL INFORMATION
- **P&ID TAG#: M-100**
- TECO WESTINGHOUSE NEMA PREMIUM EFFICIENCY ELECTRIC MOTOR
- MODEL PDH7/52
- 7.5 HP, 3PH/60HZ/460V, 3600 RPM, TEFC ENCLOSURE, 1.15 S.F. (1.0 S.F. VFD)
- FRAME SIZE 213T
- CLASS F INSULATION
- CLASS I DIVISION II CLASSIFICATION, VFD COMPATIBLE
- **SUCTION PIPING CLASS "SS-AS" (ANSI 150#) - CORROSIVE FLUID, SOUR**
- **6.0" - 3.0" ANSI 150# (SCH. 40S) SUCTION PIPING (ASTM A312 - TP316/316L - SMLS)**
- **DISCHARGE PIPING CLASS "SS-CS" (ANSI 600#) - CORROSIVE FLUID, SOUR**
- **4.0" - 3.0" ANSI 600# (SCH. 40S) DISCHARGE PIPING (ASTM A312 - TP316/316L - SMLS)**
- **FLEXITALLIC CG, 316SS SPIRAL WOUND GASKETS**
- **MERCER PRESSURE RELIEF VALVE**
- MODEL# 91-17E71T08BX1 (THERMAL)
- **SET @ 1034 KPAG (150 PSIG) LIQUID SERVICE, NO BP**
- **RATED FOR A MAX CAPACITY OF APPROX 73 USGPM @ 150PSIG**
- 1.0" MNFT X 1.0" FNPT
- E ORIFICE
- CONVENTIONAL DESIGN
- **316 SS BODY, INLET BASE, BONNET, DISC AND NOZZLE**
- INCONEL X750 SPRING
- NACE MR0175 COMPLIANT
- ALBERTA STRAINER BFS150-6N BASKET STRAINER
- 6.0" ANSI 150# CONNECTIONS
- CARBON STEEL CONSTRUCTION
- INTERNALLY COATED WITH **IMPREGLON 222M**
- NACE TRIM
- 1/8" 304SS PERFORATED SCREEN
- C/W CRN REGISTRATION
- NACE COMPLIANCE
- HART MDA FILTRATION 6 BAG FILTER VESSEL
- MODEL# HHMB6SS6-4F-SP
- QUICK OPENING SWING BOLT CLOSURE WITH GUIDES & DAVIT ARM FOR EASY ACCESS
- 4.0" ANSI 150# CONNECTIONS
- INLET AND OUTLET FLANGES LOCATED ON OPPOSITE SIDES
- 316 STAINLESS STEEL CONSTRUCTION
- VITON ELASTOMERS
- 25 MICRON FILTERS
- 1/16" CORROSION ALLOWANCE
- MAWP OF 150 PSIG
- ASME CODE STAMP
- CRN REGISTRATION AND U1A DOCUMENTATION FOR ALBERTA
- PRESSURE / VACUUM GAUGE
- WIKA 233.54, DUAL SCALE, 4.0" DIAL, LIQUID FILLED, 1/2"-MNPT CONNECTION, NACE
- RANGE (-30 IN.HG - 30 PSI)
- PRESSURE INDICATOR
- WIKA 233.54, DUAL SCALE, 4.0" FACE, LIQUID FILLED, 1/2"-MNPT CONNECTION, NACE
- RANGE 0-100 PSI
- CCS 6900GZE12 LOW PRESSURE SWITCH - DECREASING
- 1-18 PSIG DECREASING SET PRESSURE
- 316 SS CONSTRUCTION, 1/2" NPT CONNECTION
- CLASS 1 DIVISION 1, EXPLOSION PROOF
- **SET PRESSURE IS 1 PSIG**
- DIFFERENTIAL PRESSURE INDICATOR
- MID-WEST MODEL 120SA-10-1-0-0-30PSI, 2.5" FACE
- RANGE: 0-30 PSIG, 1/4"-NPT CONNECTIONS
- VITON SEALS
- NATIONAL OILWELL 101T-4L TRIPLEX PLUNGER PUMP
- 2.75" TUNGSTEN CARBIDE PLUNGERS
- NICKEL ALUMINUM BRONZE FLUID END
- NICKEL ALUMINUM BRONZE STUFFING BOXES
- 6.0" ANSI 150# FF SUCTION FLANGE AND 3.0" ANSI 600# FF DISCHARGE FLANGE
- NITRONIC 50 SPHERICAL VALVES, VALVE SEATS, AND INCONEL VALVE SPRINGS

- 838 GENERAL SERVICE PACKING
- FEED PLUNGER LUBRICATION SYSTEM
- LINCOLN/PREMIER LUBE PUMP
- MOUNTING BRACKET, SHEAVES, BELTS, GUARD, 316 SS TUBING, & CHECK VALVES
- LUBRICATION INTO STUFFING BOX - PRESSURIZED LUBE SYSTEM
- TECO WESTINGHOUSE NEMA PREMIUM ELECTRIC MOTOR
- MODEL PDH1006R
- 100 HP, 3PH/60HZ/460V, **1200 RPM**, TEFC ENCLOSURE, 1.15 S.F. (1.0 S.F. VFD)
- FRAME SIZE 444/5T
- CLASS F INSULATION
- CLASS I DIVISION II CLASSIFICATION, VFD COMPATIBLE
- REAR MOUNT, V-BELT DRIVE, PUMP UNITIZATION SKID INCLUDES:
- CARBON STEEL PUMP SKID
- **NON SPARKING LIGHT WEIGHT ALUMINUM V-BELT GUARD**
- MOTOR/PUMP ALIGNMENT
- SAND-BLASTED AND PAINTED **WARM GREY IN COLOR** IN ACCORDANCE TO CSM FABRICATION PAINT SPEC
- KENCO PLUNGER LUBRICATOR OIL SUPPLY SYSTEM
- 15-55 US GALLON TANK WITH STAND (CUSTOMER TO CONFIRM REQUIRED SIZE)
- 2" NPT FILLER CAP
- LEVEL SITE GLASS
- 1/2 NPT SHUT-OFF VALVE
- 507L IN-LUBRICATOR RESERVOIR LEVEL CONTROLLER
- C/W DAY TANK STAND
- COORSTEK SUCTION DAMPENER
- MODEL NUMBER: T-1504-F-HNBR
- 600 CUBIC INCH, HYDROGENATED NITRILE BLADDER
- 4.0" ANSI 150# FLANGE (**MAWP 285 PSIG @ -20 TO +100°F AS PER ANSI B16.5**)
- INTERNALLY COATED WITH SCOTCH KOTE 134
- C/W CRN REGISTRATION NUMBER
- COORSTEK DISCHARGE DAMPENER
- MODEL NUMBER: T-14002-F-HNBR
- 600 CUBIC INCH, HYDROGENATED NITRILE BLADDER
- 2.0" ANSI 600# FLANGE (**MAWP 1480 PSIG @ -20 TO +100°F AS PER ANSI B16.5**)
- INTERNALLY COATED WITH SCOTCH KOTE 134
- C/W CRN REGISTRATION NUMBER
- GRUNDFOS CRN45-1 PUMP
- 1 STAGE PUMP
- 316 STAINLESS STEEL IMPELLERS
- STAINLESS STEEL PUMP HOUSING
- VITON ELASTOMERS
- 3" ANSI 150# SUCTION & DISCHARGE FLANGES
- SINGLE CARTRIDGE MECHANICAL SEAL (SIC/SIC/VITON/SS)
- COUPLING AND COUPLING GUARD
- METRIX VIBRATION TRANSMITTER
- MODEL ST5484E-121-02-000
- 1.0 IPS (25mm/s) PEAK
- 1/4" NPT CONNECTION, CLASS 1 DIVISION 1, EXPLOSION PROOF
- 0-20 mA



Schedule 'B'



| ITEM | QTY | DESCRIPTION |
|---------|------|--|
| TR-30 | 250' | T&B 30' ALUMINUM CABLE TRAY AH3630L09-6 |
| TR-06 | 100' | T&B 6' ALUMINUM CABLE TRAY AH3606L09-6 |
| TR90-30 | 1 | Y&B 30' ALUMINUM CABLE TRAY 90° FITTING AHF624LJB9024 |
| TRT-30 | 2 | T&B 30' ALUMINUM CABLE TRAY T FITTING AHF630LHT090 |
| RDG-100 | 6 | VEGA RADAR LEVEL TRANSMITTER PS31XXXXXXQHB |
| TC-100 | TBD | COPPER TECK CABLE 3C-#1 1-3C CUIKV AIA |
| TC-110 | TBD | COPPER TECK CABLE 6C-#10 10-6C CUIKV AIA |
| TC-120 | TBD | COPPER INSTRUMENTATION TECK CABLE 12-#16 12 TRIAD-#16 STOS XI PE/PVC |
| TCN-100 | 2 | EXPLOSION PROOF TECH CONNECTORS 18-TMC2-X150AX162 |
| TCN-110 | 6 | EXPLOSION PROOF TECH CONNECTORS 18-TMC2-X100AX162 |
| PST-100 | 9 | VEGA PRESSURE TRANSMITTER B.83.CE.LYSGISHXAINAX |
| ESD-100 | 1 | ALLEN BRADLEY EMERGENCY SHUT DOWN STN AB-800H-0P6A |
| ST-100 | 3 | ALLEN BRADLEY START/STOP STATION AB-900H-2HA7P |
| JB-100 | 3 | HOFFMAN FIBERGLASS JUNCTION BOXES ULUR0020 |
| HT-100 | 600' | RAYCHEM HEAT TRACE RAY8TV2CT |
| LT-150 | 7 | EIKO 150 WATT LED FLOOD LIGHT BOX2-250/150W/75C-U-D-Y-B-2 |
| LT-30 | 2 | EIKO 30 WATT LED WALL LIGHT WMC-3C-50K-UEK |
| LT-4 | 3 | CROUSE HINDS 4 LED LINEAR LIGHT DLLA4-UNV-TF |

THIS DRAWING IS THE PROPRIETARY DESIGN OF ARISS CONTROLS & ELECTRIC INC. (ACE). REPRODUCTION OR USE IN WHOLE OR IN PART BY OTHERS IS PERMISSIBLE ONLY BY AUTHORIZATION IN WRITING BY ARISS CONTROLS & ELECTRIC INC.

| REV | DATE | DESCRIPTION | BY |
|-----|------|-------------|----|
| | | | |
| | | | |
| | | | |



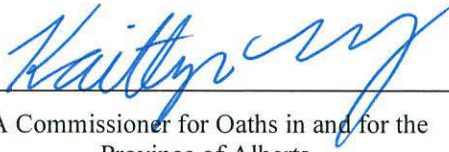
| | | | |
|--|-----------------------|--------------------------|--|
| TITLE: DISPOSAL FACILITY- FREE REIN SITE: SCHEDULE 1 | | | |
| CUSTOMER: NUCOR ENVIRONMENTAL SOLUTIONS LTD. | | | |
| DRAWN BY: Richard A | CHECKED BY: Richard A | APPROVED BY: Richard A | |
| DATE: 06-07-20 | JOB NUMBER: NC-01 | PROJECT: Nucor Free Rein | |
| SECTION: F | SHEET: 1 OF 1 | DRAWINGS: SCHED 1 | |

Schedule C



| OSWD 4.5 YEAR FORECAST | 30 | 31 | 31 | 30 | 31 | 30 | 31 | 31 | 28 | 31 | 30 | 31 | 30 | 31 | 31 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|--------------|
| | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug |
| Daily Volumes | | | | | | | | | | | | | | | |
| | 01-Jul | 01-Aug | 01-Sep | 01-Oct | 01-Nov | 01-Dec | 01-Jan | 01-Feb | 01-Mar | 01-Apr | 01-May | 01-Jun | Year 1 | | |
| VEH LEASE/ALLOWANCE EXP | \$ 1,650 | \$ 1,650 | \$ 1,650 | \$ 1,650 | \$ 825 | \$ 825 | \$ 825 | \$ 825 | \$ 825 | \$ 825 | \$ 825 | \$ 825 | \$ 825 | \$13,700 | 1 pickups |
| VEH INSURANCE | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$7,800 | 1 pickups |
| VEH Fuel | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$5,000 | 1 pickups |
| VEH REPAIRS & MTNCE | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$18,000 | site vehicle |
| CELLULARS & RADIOS | \$ 150 | \$ 150 | \$ 150 | \$ 150 | \$ 150 | \$ 150 | \$ 150 | \$ 150 | \$ 150 | \$ 150 | \$ 150 | \$ 150 | \$ 150 | \$1,800 | 2 cells |
| LIABILITY INSURANCE | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$80,000 | |
| LICENSES & MISC INS/CLAIMS | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$6,000 | |
| UTILITIES | \$ 400 | \$ 400 | \$ 400 | \$ 400 | \$ 400 | \$ 400 | \$ 400 | \$ 400 | \$ 400 | \$ 400 | \$ 400 | \$ 400 | \$ 400 | \$4,800 | |
| PROPERTY TAX | \$ 2,250 | \$ 2,250 | \$ 2,250 | \$ 2,250 | \$ 2,250 | \$ 2,250 | \$ 2,250 | \$ 2,250 | \$ 2,250 | \$ 2,250 | \$ 2,250 | \$ 2,250 | \$ 2,250 | \$27,000 | |
| SITE MANAGER | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$132,000 | Site Manager |
| ANNUAL RENTALS | | | | \$ 3,500 | | | | | \$ 11,000 | | \$ 3,500 | \$ 3,500 | \$ 3,500 | \$21,500 | |
| Website RBM | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$36,000 | |
| Website Operator | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$18,000 | |
| Fixed Operating Expenses (Transfer site and Websites) | \$ 30,550 | \$ 30,550 | \$ 30,550 | \$ 34,050 | \$ 29,725 | \$ 29,725 | \$ 29,725 | \$ 29,725 | \$ 40,725 | \$ 29,725 | \$ 33,225 | \$ 33,225 | \$ 33,225 | \$ 381,500 | |
| ADMINISTRATION WAGES | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$60,000 | 1 FT |
| BANK CHARGES | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$9,600 | |
| COMPUTER SERVICES | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$6,000 | Contingency |
| SAFETY/TRAINING/CONFERENCES | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$16,000 | HSE plan |
| PROFESSIONAL FEES | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$5,000 | |
| OFFICE SUPPLIES & EXPS | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$3,600 | |
| COURIER SERVICE | \$ 120 | \$ 120 | \$ 120 | \$ 120 | \$ 120 | \$ 120 | \$ 120 | \$ 120 | \$ 120 | \$ 120 | \$ 120 | \$ 120 | \$ 120 | \$1,440 | |
| Fixed JV Expenses | \$ 9,220 | \$ 9,250 | \$ 9,250 | \$ 9,250 | \$ 8,250 | \$ 8,250 | \$ 8,250 | \$ 8,250 | \$ 8,250 | \$ 8,250 | \$ 8,250 | \$ 8,250 | \$ 8,250 | \$ 102,970 | |

This is Exhibit "U"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

JOINT VENTURE AGREEMENT

This Agreement is made as of the 1st day of March, 2023,

BETWEEN:

FREE REIN RESOURCES LTD., a company having an office at Suite 3900 – 350 7th Ave SW, Calgary, AB, T2P 3N9

(“**Free Rein**”)

AND:

LEGACY DISPOSAL FACILITY LTD., a company having an office at 11036 – 261 Street, Acheson, AB, T7X 6C7

(“**Legacy**”)

WHEREAS:

- A. Free Rein is a company engaged in the business of oil and gas exploration and is the holder of leases and wellbore at THE NORTH WEST QUARTER OF SECTION TWENTY THREE (23) TOWNSHIP FIFTY ONE (51) RANGE TWENTY SEVEN (27) WEST OF THE FOURTH MERIDIAN AS SHOWN ON A PLAN OF SURVEY OF THE SAID TOWNSHIP SIGNED AT OTTAWA ON THE 14TH DAY OF DECEMBER A.D. 1910, CONTAINING 63.1 HECTARES (156 ACRES) MORE OR LESS EXCEPTING THEREOUT ALL MINES AND MINERALS also known as 02/13-23-051-27 W4M (collectively, the “**Lands**”);
- B. Legacy is a company engaged in the business of providing professional services in the areas of industrial wastewater management;
- C. Legacy and Free Rein wish to form a joint venture for the purpose of constructing and operating a waste water disposal facility (the “**Facility**”) on the Lands (the “**Project**”);

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements set forth, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereby covenant and agree as follows:

1. Definitions and Interpretation

- 1.1 **Definitions.** Except as expressly otherwise provided, or unless the context otherwise requires, in this Agreement the following terms will have the following meanings:

- (a) **“Business Day”** means a day that is not on Saturday or Sunday or a Canadian holiday or an Alberta provincial holiday;
- (b) **“Default”** means, with respect to a Party:
 - (i) the existence of an Event of Insolvency with respect to that Party;
 - (ii) the default by that Party in the performance of any of its financial obligations under this Agreement if that default is not cured within forty-five (45) Business Days following receipt by that Party of a written notice of the default from the other Party; or
 - (iii) the material or substantive default by that Party in the performance or observance of any of its other obligations under this Agreement if that default is not cured within forty-five (45) Business Days following receipt by that Party of a written notice of the default from the other Party;
- (c) **“Defaulting Party”** means a Party in respect of whom a Default has occurred;
- (d) **“Event of Insolvency”** means, with respect to any Party, the occurrence of any of the following events:
 - (i) if that Party, other than in connection with a bona fide corporate reorganization, is wound up, dissolved, liquidated or otherwise has its existence terminated (either voluntarily or involuntarily) unless such existence is immediately reinstated or has any resolution passed therefor or makes a general assignment for the benefit of its creditors or a Proposal under the *Bankruptcy and Insolvency Act* (Canada) or is adjudged bankrupt or insolvent or files any petition or answer seeking any re-organization, arrangement, composition, re-adjustment, liquidation or similar relief for itself under any present or future law relating to bankruptcy, insolvency, or other relief for or against debtors generally; or
 - (ii) if a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against that Party seeking any reorganization, arrangement, composition, readjustment, liquidation, winding up, dissolution, termination of existence, declaration of bankruptcy or insolvency or similar relief under any present or future law relating to bankruptcy, insolvency or other relief for or against debtors generally and that Party consents to or acquiesces in the entry of that order, judgment or decree or that order, judgment or decree remains unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive) from the date of entry or if any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer with similar powers is appointed for that Party or of its Party's Interest and that Party consents to or

acquiesces in the appointment or the appointment remains unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive);

- (e) **“Expenses”** means Operating Costs and Joint Venture Expenses;
- (f) **“Force Majeure”** shall include acts of the elements, epidemic or pandemic (excluding the current Covid-19), flood, explosion, fire, lightning, earthquake, war, riot, civil disturbance, strike, government order, decision or administrative ruling, government inaction, military action, insurrection, terrorists or anti- government act, embargoes, acts of God, inability to obtain equipment, supplies or fuel or any other circumstances which are unforeseeable, sudden, insurmountable and outside the control of the Parties and not caused by the action or negligence of the Party claiming suspension (other than the obligation of any Party to meet its financial commitments under this Agreement as they fall due);
- (g) **“Joint Venture”** has the meaning ascribed thereto in Article 2.1;
- (h) **“Joint Venture Expenses”** has the meaning ascribed thereto in Schedule B.
- (i) **“Lands”** has the meaning ascribed thereto in Recital A;
- (j) **“Management Committee”** means the Management Committee appointed under Article 6.1;
- (k) **“Non-Defaulting Party”** means a Party which is not a Defaulting Party;
- (l) **“Operating Costs”** has the meaning ascribed thereto in Schedule B;
- (m) **“Parties”** means, collectively, Free Rein and Legacy, and their successors or permitted assigns and **“Party”** means either of the Parties;
- (n) **“Person”** means any individual, limited or unlimited liability company, corporation, body corporate, firm, partnership, syndicate, joint venture, society, association, trust, unincorporated organization or governmental authority or any trustee, executor, administrator or other legal representative;
- (o) **“Project”** means the project referred to in Recital C, and such other projects as may be agreed to from time to time by the Management Committee or agreed to in a project specific amendment;
- (p) **“Proportionate Share”** means that portion of Revenues derived from the Project after payment of Expenses, as set out in Schedule “A” unless agreed on a project by project specific basis by individual Amendment to this Agreement;

- (q) **“Reasonable Reserves”** means those reasonable cash reserves with respect to the Project as determined from time to time by Legacy, acting reasonably
- (r) **“Representative”** means the Person appointed by a Party to the Management Committee;
- (s) **“Revenue(s)”** means the total proceeds (excluding any excise or sales taxes) received or receivable by the Joint Venture from the supply of Services under Service Contracts;
- (t) **“Services”** means providing professional services in the areas of industrial wastewater management services, including collection, transportation and disposal;
- (u) **“Service Contract(s)”** means a contract(s) for the provision of Services to third parties in relation to the Project that is entered into by Legacy on behalf of the Joint Venture;
- (v) **“Service Provider”** means Legacy in its capacity as the Service Provider appointed pursuant to Article 7.1;

1.2 **Schedules.** The following are the Schedules to this Agreement:

Schedule A – Proportionate Share of Revenues and Expenses;
Schedule B – Operating Costs and Joint Venture Expenses;

1.3 **Governing Law and Forum.** This Agreement and all matters arising under it will be governed by and construed in accordance with the laws of Alberta and the laws of Canada applicable therein and, subject to Article 11, all disputes and claims arising out of this Agreement will be referred to the courts of the Province of Alberta. Each of the parties hereby irrevocably submits to the jurisdiction of the courts of the Province of Alberta.

2. **Formation**

2.1 **Formation and Purpose.** The Parties hereby agree to associate themselves as joint venturers, and to form a joint venture (the **“Joint Venture”**) for the purpose of carrying out all acts which are necessary or appropriate, directly or indirectly, in relation to the Project and to obtain Service Contracts and to provide Services thereunder.

2.2 **Guiding Principles.** The guiding principles of the operation of the Joint Venture will be openness, respect, commitment and trust.

2.3 **Restrictions.** The purpose and the activities of the Parties with respect to the Joint Venture shall be confined strictly to the purposes and activities set out in Article 2.1.

2.3 **Name.** The Joint Venture will operate under the name Legacy - Free Rein Joint Venture.

2.4 **Office.** The principal office and place of business shall be maintained at the offices of Legacy.

3. **Term, Termination and Survival of Certain Obligations**

3.1 **Term.** The term of this Agreement (the “Term”) shall commence on the date of this Agreement and terminate upon the earlier of:

- (a) The expiry of fifteen years (15) years from the date of this Agreement;
- (b) The termination of this Agreement pursuant to Article 10 due to the Default by one of the Parties;
- (c) The written agreement of both Parties; and
- (d) The expiry of sixty (60) days from written notice given by either Party.

Provided, however, that should this Agreement terminate prior to the expiry of a Service Contract(s), the provisions of this Agreement shall remain in full force and effect with respect to that Service Contract(s) as if this Agreement had not been terminated until the Service Contract(s) have been completed.

3.2 **Survival of Certain Obligations.** Upon the termination of this Agreement:

- (a) all claims, causes of action or other outstanding obligations remaining or being unfulfilled as at the date of such termination; and
- (b) all of the provisions of this Agreement relating to the obligation of either of the Parties to account to or indemnify another and to pay to another any monies owing as at the date of such termination in connection with this Agreement;

will survive such termination and continue in full force and effect.

4. **Relationship Between Parties and Conduct of the Business**

4.1 **Communication.** The Parties shall establish and maintain open and respectful communications with one another.

4.2 **Conduct Related to Business Activities.** The activities of the Joint Venture in pursuit and performance of the Services shall:

- (a) ensure sustainable management consistent with all regulatory and contractual requirements;

- (b) adherence to all standard operating policies and practices, which have been instituted by the Management Committee;
 - (c) include reporting regularly to the Parties regarding these objectives to ensure conformance with its policies and guidelines.
- 4.3 **Expertise and Knowledge.** The Parties desire their relationship draw on, as applicable, the working knowledge and expertise of Legacy of Free Rein.
- 4.4 **Publicity.** The Parties agree that all notices to third parties and all other publicity concerning this Agreement shall be jointly planned and coordinated by the Management Committee and no Party shall act unilaterally in this regard.
- 4.5 **Separate Activities.** Subject to Article 4.6, nothing in this Agreement will be deemed to restrict the freedom of any Party to conduct any activity without any accountability to the other Party, provided that such activity does not compete with the activities of the Joint Venture (a) during the Term of this Agreement and within one (1) year of its termination; and (b) within a 160 km radius of the Lands. No Party, by reason of this Agreement, will have any interest in any property owned by any other Party or in any other activity engaged in by the other Party or Affiliate thereof, whether or not similar to the activities of the Joint Venture.
- 4.6 **Exclusivity.** The Parties agree that during the Term an exclusive relationship for the provision of the Services within a 160 km radius of the Lands does exist.
- 4.7 **Disclaimer of Partnership.** Each Party expressly disclaims any intention to create a partnership or to constitute the other Party as its agent (except as expressly provided in this Agreement) with respect to the subject matter of this Agreement. Each Party covenants with the other Party that it will not allege or claim that a relationship of partnership or agency has been created with respect to the subject matter of this Agreement. Except as specifically provided in this Agreement, no Party will have any authority to:
 - (a) act for or on behalf of the other Party with respect to the subject matter of this Agreement;
 - (b) undertake an obligation or responsibility on behalf of the other Party; or
 - (c) pledge the credit of the other Party or incur any financial obligations on behalf of the other Party.
- 4.8 **Access to Information, Confidentiality and Good Faith.** Each Party agrees to keep in strict confidence all information regarding the final terms of the Joint Venture. The Parties each agree to keep all material and information provided to it by the other in connection to the operation of the Joint Venture confidential. The provisions of this paragraph shall not apply to disclosure to a Party's legal, accounting or other professional advisors under the same condition of confidentiality, or to any information which is or shall become part of

the public domain (unless through a breach of this Agreement), or which is obtained from third parties with a right to disclose such information free of any obligation of confidentiality. A Party is permitted to disclose any such confidential information if required to do so by law (including any order of a court or regulatory authority); provided, however, the disclosing Party shall promptly notify the other Party of any such requirement and shall limit the disclosure of such confidential information to the extent reasonably possible.

5. Access to Lands and Construction of Facility

5.1 **Access to Lands.** Free Rein is responsible for and shall pay or cause to be paid all rents, taxes and royalties payable with respect to the Lands and agrees to ensure that its leases remain in good standing for the duration of the Term such that the Service Provider will have access to the Lands for the purposes of this Agreement. Free Rein will provide confirmation of such payments on no less than an annual basis.

5.2 **Construction of Facility.** The Parties acknowledge and agree that Legacy (or its parent corporation) has completed the design, construction and commissioning of the Facility including ancillary equipment, including downhole equipment, to full functionality on the Lands and that the cost for the underground component of the Facility was \$623,862.63 (the “**Underground Cost**”). The total Facility Cost was \$1,980,000 (the “**Total Facility Cost**”), which costs the parties acknowledge has been paid by Legacy (or its parent corporation)

6. Control and Management of the Joint Venture

6.1 **Establishment of Management Committee.** On or immediately following the execution of this agreement, the Parties shall establish a Management Committee comprised as indicated in Article 6.3 below.

6.2 **Overall Management.** The overall management and control of the affairs of the Joint Venture shall be vested in the Parties, collectively, and shall be implemented through the Management Committee. Except as herein otherwise provided or as herein delegated to the Service Provider, the Management Committee shall make all decisions with respect to the management and control of the affairs of the Joint Venture, including decisions on whether to add or delete projects, and the decisions of the Management Committee shall be binding upon the Parties.

6.3 **Operation of Management Committee.** The Parties agree as follows:

- (a) Each Party shall appoint one (1) Representative and one (1) alternate Representative to the Management Committee and shall give the other Party notice of the appointments. Each alternate Representative may attend all meetings and may act for a Party’s Representative in his or her absence. A Party may from time to time revoke in writing the appointment of any its Representative or alternate Representative and appoint in writing a substitute. As at the date of this Agreement:

- (i) Free Rein's Representative is Natalie Heffernan and its alternate Representative is Terry McCallum.
 - (ii) Legacy's Representative is Eli Hazlehurst and its alternative Representative is Lawrence James Dumelie.
- (b) The Service Provider shall call a Management Committee meeting at least once in every six-month period and, in any event, within ten days of being requested to do so by any Representative. Representatives may participate at meetings by telephone, video conference or similar means, provided all persons participating in the meeting can hear and speak to each other.
- (c) The Service Provider's Representative, or alternate Representative, shall act as Chair of meetings of the Management Committee.
- (d) A quorum for any Management Committee meeting shall be one Representative or alternate Representative of each Party. If a quorum is present at the meeting, the Management Committee shall be competent to exercise all of the authorities, powers and discretions conferred on it under this agreement.
- (e) Decisions of the Management Committee shall be by majority resolution and each Party's Representative (or alternate Representative as the case may be) shall be entitled to one vote on all matters to be decided by the Management Committee. In the case of a tie the matter will be referred to the Parties for resolution.
- (f) The Service Provider shall appoint an individual at each Management Committee meeting to take minutes of that meeting and circulate copies to each Representative.
- (g) The Management Committee may make decisions by obtaining the consent to a resolution in writing of the representatives of both Parties. Any decisions so made shall be as valid as a decision made at a duly called and held meeting of the Management Committee.
- (h) Each Party shall bear the expenses incurred by its Representative and alternate Representative in attending the meetings of the Management Committee. No member of the Management Committee will be entitled to receive any compensation for his or her services as a member of the Management Committee.
- (i) The Management Committee may, by agreement of the representatives of both of the Parties, establish other rules of procedure not inconsistent with this Agreement, as the Management Committee deems fit.

6.4 **Service Provider.** The routine and day-to-day conduct and administration of the business and affairs of the Joint Venture on behalf of the Parties will be managed by and under the control and direction of the Service Provider in accordance with Article 7.

7. Service Provider

- 7.1 **Appointment of Service Provider.** The Parties hereby appoint Legacy as the Service Provider for the Term. Free Rein will transfer the Waste Management Facility license to Legacy immediately following upon final execution delivery of this Agreement and convey all related infrastructure to the Facility to Legacy. Free Rein grants Legacy a security interest in such licences, the leases held by Free Rein on the Landsand the Facility until such time as the transfer and conveyance are complete.
- 7.2 **Status of Service Provider.** The Service Provider in performing its obligations under this agreement shall be deemed to be an independent contractor acting on behalf of the Joint Venture. The Service Provider shall not act or hold itself out as agent for any of the Parties other than in their capacities as participants in the Joint Venture nor make any commitments on their individual behalf unless specifically permitted by this agreement or directed in writing by a Party.
- 7.3 **General Duties of Service Provider.** The Service Provider, shall have the exclusive right to implement or cause to be implemented all decisions of the Management Committee, coordinate and supervise all activities required to obtain and administer Service Contracts and conduct or cause to be conducted the day-to-day activities and affairs of the Joint Venture on behalf of the Parties.
- 7.4 **Specific Duties of Service Provider.** In carrying out the general administration of the Joint Venture and the performance of the Joint Venture's obligations under any Service Contracts, the Service Provider shall have the exclusive right and authority to implement or cause to be implemented all decisions of the Management Committee, coordinate and supervise all activities required to obtain and administer Service Contracts and conduct or cause to be conducted the day-to-day activities and affairs of the Joint Venture. In carrying out its duties, the Service Provider shall, without limitation:
- (a) provide managerial, administrative, purchasing, and supervisory functions and services to ensure that all the Joint Venture's obligations under all Service Contracts are honoured;
 - (b) prepare all proposals and/or tenders for bids for Service Contracts;
 - (c) order and obtain all equipment and uniforms needed for the performance of Services under a Service Contract;
 - (d) apply for and obtain all necessary permits, licenses, certificates and approvals and pay any necessary fees required for the performance of Services, not including any rents, taxes and royalties payable by Free Rein with respect to Lands;
 - (e) give the required notices and comply with applicable laws, ordinances, rules, regulations and codes and orders of authorities having jurisdiction which are or

become in force during the performance of the Services;

- (f) ensure WCB registration is obtained and remains in good standing;
- (g) monitor and ensure compliance with all AER, or any other applicable license, and health and safety regulations and requirements;
- (h) obtain and maintain all requisite insurance;
- (i) supervise and coordinate the performance of the Services;
- (j) invoice and collect all payments due for Services performed;
- (k) pay all operating costs with respect to a Service Contract under which Legacy is the Service Provider;
- (l) provide all requisite bookkeeping and accounting services and maintain separate books of account with respect to each Service Contract to which the Joint Venture may be a party;
- (m) in accordance with generally accepted accounting principles, maintain proper books of account and other financial records relating to its performance on behalf of the Joint Venture of the Joint Venture's obligations under all Service Contracts including all invoices, cash receipts and payroll accounts and any vouchers relating thereto and make such records available for inspection by the Parties or their authorized representatives on request at all reasonable times;
- (n) account to the Parties with respect to its operation of the Joint Venture under each Service Contract at the end of each quarter during the Term and on an annual basis at the Joint Venture's fiscal year end. Such accounts shall detail all revenues and expenses relating to the Joint Venture and shall be provided to the Parties within forty-five (45) calendar days of the end of each quarter during the Term and within 120 calendar days after the Joint Venture's fiscal year end;
- (o) remit to each Party their Proportionate Share of Revenues as required by paragraph 8.2 and Schedule A; and
- (p) perform other functions as directed by the Management Committee.

8. Financial Matters

8.1 Funding of Joint Venture. Funding for the Joint Venture shall be provided as follows:

- (a) Any capital costs required by the Joint Venture for the design, construction and commissioning of the Facility, including downhole equipment, both above ground infrastructure and underground infrastructure, shall be provided by Legacy; and

- (b) Any monies required by the Joint Venture to conduct the day-to-day business of providing the Services shall be provided equally by Legacy and Free Rein. Legacy will initially cover the costs and will invoice Free Rein on a monthly basis, with payment to be made within 5 Business Days of receipt.
- 8.2 **Proportionate Share Distributions.** Revenues realized under any Service Contract shall be calculated at the end of each calendar month. Revenues with respect to such Service Contract shall be divided in accordance with their Proportionate Share as set out in Schedule A between the Parties and, subject to payment of Operating Costs, Joint Venture Expenses and Reasonable Reserves, distributed to each Party by the Service Provider at within 60 days of the end of each quarter.
- 8.3 **Accounting Determinations.** Each Party shall separately account for its share of Revenues from a Service Contract and shall separately claim any deductions, allowances and credits which it is entitled to claim in respect of its interest in a Service Contract for the purposes of the *Income Tax Act* (Canada) in accordance with their Proportionate Share
- 8.4 **Proportionate Liability.** Each Party shall be responsible for the liabilities and obligations of the Joint Venture in accordance with their respective proportionate share as set out in Schedule A. However, in the event that either Party incurs liability or an obligation without the prior written consent of the other or pursuant to the terms of this Agreement, that Party shall lose the right of indemnity or contribution from the other and shall be solely responsible for satisfying that liability or obligation.
- 8.5 **GST Joint Venture Election.** In its capacity as Service Provider, Legacy is hereby appointed as the joint venture operator for the purposes of accounting for GST with respect to the Service Contract(s) and both Parties shall execute Form GST21E confirming such appointment.
- 8.6 **Access to Records.** Each Party will furnish to the other Party information in the possession or control of that Party regarding the affairs of the Parties in connection with this Agreement reasonably requested by the other Party. Each Party will have the right at all reasonable times at its expense and during normal business hours to inspect, examine and make copies of or extracts from the books and records of the other Party which pertain to the subject matter of this Agreement, including a Party's ability to perform its obligations hereunder, and that right may be exercised through any agent or employee of such Party designated by it or by an independent chartered accountant designated by it.
- 8.7 **Audit Right.** Free Rein may request an audit by a firm of chartered accountants of the books of account maintained by the Service Provider with respect to the Joint Venture to verify the reports provided by the Service Provider to the Parties pursuant to this Agreement, provided such request is made in writing no later than six months after receipt of such report. Any such audits shall be at the cost of Free Rein unless as a result of such audit it is determined or acknowledged that the Service Provider has made a mistake in excess of ten (10%) percent of the annual disbursement to Free Rein, in which event it shall

be at the cost of the Service Provider. If it is ultimately determined pursuant to any audit conducted under this Article that any amount under this Agreement has been incorrectly determined or calculated by the Service Provider, the Service Provider shall promptly adjust its accounts and pay any amount required to be paid as a result of such adjustment.

9. Termination on Default or Notice

9.1 **Default.** In the event of a Default, the Non-Defaulting Party may give notice of intent to terminate this Agreement at any time by giving written notice to the Defaulting Party, and upon giving of such notice this Agreement will be terminated.

9.2 **Termination by notice from a Party.** If a Party gives notice to terminate pursuant to Article 3.1(d), the Parties will meet within seven (7) days of receipt of the notice to discuss and attempt to resolve the matter which gave rise to the notice. Failing agreement on a resolution, the Parties may choose to refer the matter to mediation and arbitration or to terminate the Agreement at the expiry of the sixty (60) day period in Article 3.1(d).

9.3 **Termination due to Free Rein Default or Convenience.** If this Agreement is terminated pursuant to an unremedied default of Free Rein or by a notice delivered by Free Rein pursuant to Article 3.1(d) and Legacy has not yet recovered its Total Facility Cost through the distribution of Revenue pursuant to Article 8.2, Free Rein shall be obligated to pay Legacy the greater of (a) the balance of the Total Facility Cost then remaining, and (b) the market value of the Legacy's interest in the Joint Venture as determined by Chartered Business Valuator jointly appointed by the Parties, whichever is greater, forthwith upon demand, with interest accruing at the rate of 10% per annum, compounded monthly and such underground infrastructure will become the property of Free Rein. For clarity above ground infrastructure constructed by Legacy shall remain the property of Legacy at all times and Free Rein grants Legacy a security interest in Free Rein's interest in the Facility and the leases held by Free Rein on the Lands as security for its obligations under this Section

9.4 **Termination due to Legacy Default or Convenience.** If this Agreement is terminated pursuant to an unremedied default of Legacy or by a notice delivered by Legacy pursuant to Article 3.1(d), Legacy shall forthwith demobilize from the Lands and remove whatever components of the Facility that are located above ground and which can be moved. For clarity above ground infrastructure constructed by Legacy shall remain the property of Legacy at all times

10. Mediation and Arbitration

10.1 **Disputes to be Mediated or Arbitrated.** Any dispute between the parties in connection with this Agreement will be submitted to mediation in accordance with the procedure set out in Article 11.2 hereof. Failing successful mediation, the dispute shall be sent to arbitration under the provisions of the *Arbitration Act* of Alberta, and no party will pursue

any remedy, or action in any other court or jurisdiction except as expressly provided in this Agreement.

10.2 **Procedure.**

- (a) The parties to the dispute will attempt to resolve any dispute by mediated negotiation and will use their best efforts to agree on the choice of a mediator.
- (b) If a dispute arises and which cannot be resolved by mediation within thirty (30) days (the “Mediation Period”) after one party notifies the other, or others as the case may be, of an intention to mediate the dispute, the parties to the dispute will submit the matter to arbitration in accordance with the following:
 - (i) all arbitration proceedings conducted pursuant to this Agreement will be conducted in Edmonton, Alberta;
 - (ii) any arbitration award will be in writing and will contain the reasons for the award as well as a decision regarding payment of costs by the parties to the arbitration;
 - (iii) within 5 days from the end of the Mediation Period, the matter will be referred to a single arbitrator with expertise in the matter being arbitrated;
 - (iv) if the parties to the dispute cannot agree upon a single arbitrator within the 5 days from the end of the Mediation Period, then any party to the dispute may apply to the Superior Court of Alberta to have it select an arbitrator;
 - (v) the arbitrator appointed by the parties to the dispute, or the Court, as the case may be, will hand down a decision within thirty (30) days after that arbitrator is appointed; and
 - (vi) if that arbitrator does not hand down a decision within that 30-day period, then either party to the dispute may, by giving notice to the other, cancel the appointment of the arbitrator, and initiate new arbitration proceedings by a new request and appointment.

10.3 **Power of Arbitrator.** The arbitrator or panel of arbitrators will not have the power to grant provisional or conservatory measures including injunctions, restraining orders and specific performance, and each party reserves its rights to apply for such remedies to any ordinary court of competent jurisdiction, in which case such party may apply directly to such court without complying with Article 10.1.

10.4 **Acceptance and Implementation.** Each party to an arbitration conducted pursuant to this Agreement will accept as final and binding and proceed in good faith diligently to implement the award or decision of the arbitrator or panel of arbitrators.

11. Covenants of the Parties

11.1 Covenants. Each Party covenants and agrees with the other Party:

- (a) to perform its obligations and commitments under this Agreement;
- (b) not to do any act or thing or fail or omit to do any act or thing it is obligated to do which would cause it or the other Party to be in breach of or in default under this Agreement or any other agreement entered into by it or the Parties in connection with this Agreement, provided that such other agreements are entered into in accordance with the terms hereof;
- (c) at the reasonable request of the other Party, to promptly execute and deliver such instruments and take such actions as may be reasonably required to accomplish the purposes of this Agreement and to carry into effect any decision of the Parties;
- (d) upon the agreement of the Parties, to take such action as is necessary to ensure that the affairs of the Parties in connection with this Agreement comply with and conform to the requirements of all applicable statutes, laws, bylaws, regulations, ordinances and orders at any time in force during the term of this Agreement;
- (e) not to do any act or thing or fail or omit to do any act or thing that it may be obligated to do which could cause a breach of or a default in respect of any permit, license, claim, lease or other right associated with the affairs of the Parties in connection with this Agreement; and
- (f) at all times to provide full disclosure to the other Party respecting all material matters that come to its attention concerning the affairs of the Parties in connection with this Agreement.

11.2 **Insurance.** The Service Provider shall place and maintain with a reputable insurer or insurers such insurance, as the Service Provider in its reasonable opinion deems advisable in order to protect the Parties from any insurable liabilities to which they may be exposed in the performance of their obligations under any Service Contract and to insure the assets from time to time owned by the Joint Venture. Such insurance shall list both Parties as named insured. The Service Provider shall, on the written request of any Party, provide it with evidence of that insurance. This paragraph shall not preclude any Party from placing, for its own account, insurance for greater or other coverage than that placed by the Service Provider.

11.3 **Several Liability.** The rights and obligations of each Party under any Service Contract shall be several and not joint or joint and several and shall be limited to each Party's respective Proportionate Share.

11.4 **Mutual Indemnification.** Each Party shall indemnify the other Party and its directors, officers, servants, employees and agents (the "**Indemnified Party**") of, from and against

all actions, suits, claims, demands, losses, costs, charges, damages and expenses (“**Losses**”) incurred, sustained or claimed, arising out of the acts or omissions of such Party or persons for whom it is in law responsible in connection with the subject matter of this Agreement, except to the extent that any such Losses are the result of a breach of this Agreement or the negligence or wilful misconduct of the Party seeking to be indemnified. With respect to Legacy this indemnity shall extend to and include acts or omissions arising in its capacity as Service Provider, except to the extent that such acts or omissions have been approved or ratified by the Management Committee. Notwithstanding the foregoing, neither party shall be liable to the other for indirect or consequential damages.

- 12. Force Majeure.** If by reason of Force Majeure, either Party is delayed or unable, in whole or in part, to perform or comply with any obligation or condition of this Agreement, that Party will be relieved of liability and will suffer no prejudice for failing to perform or comply or for delaying performance or compliance during the continuance and to the extent of the inability so caused from and after the happening of the event for Force Majeure. The Party so affected shall give to the other Party prompt notice of its inability and reasonable full particulars of the cause. The frustrated Party will use commercially reasonable efforts to remedy the situation and remove, so far as possible with reasonable dispatch, the cause of its inability to perform or comply.

13. Miscellaneous

- 13.1 Notices.** All notices, demands, approvals, consents, or requests provided for in this Agreement will be in writing and will be delivered to the applicable address set out at the beginning of this Agreement or telecopied or sent electronically to the applicable address set forth below:

In the case of Free Rein, Attention: Natalie Heffernan, email:
natalie@freereinres.com

In the case of Legacy, Attention: Eli Hazlehurst, email: elih@nucorenv.ca
With a cc to Jim Dumelie, email: jimd@nucorenv.ca

Any notice, demand, approval, consent, or request so delivered will be deemed to have been given and received on the next following Business Day after the date of delivery or transmission. By giving to the other parties at least five Business Days' notice, any party may change its address for delivery for purposes of this Article.

- 13.2 Assignment.** No Party will sell, assign, transfer or otherwise dispose of its interest in this Agreement, in whole or in part, or enter any agreement to do so (each such sale, assignment, transfer, disposition or agreement being called a “**Disposition**” and the Person to or in favour of whom the Disposition is made being called a “**Transferee**”), and any attempt to do so will be void, unless:
- (a) that Party has obtained the prior approval of the other Party (which consent may be not unreasonably and arbitrarily withheld) to the Disposition; or

- (b) the Disposition is a sale, assignment or transfer of all of its interest in this Agreement to an affiliate of that Party, provided that the Party is not a Defaulting Party, and the Party and the Transferee continue to remain affiliates of each other, and to be jointly and severally liable for the obligations of that Party under this Agreement, so long as that affiliate is a Party.

No Disposition otherwise permitted by this Agreement may be made unless the Transferee enters into an agreement with the other Party whereby the Transferee will be bound by and entitled to the benefit of this Agreement to the extent of the interests which are the subject of such Disposition (in each case, satisfactory to the other Party's legal advisors, acting reasonably). Upon a Disposition permitted by this Agreement which is a sale, assignment or transfer of all of a Party's interest in this Agreement other than to an affiliate of such Party, that Party will be released from all indebtedness, liabilities and obligations under this Agreement except to the extent that the indebtedness, liabilities and obligations have arisen from or out of any obligation of that Party before or existing at the time of completion of such Disposition.

- 13.3 **Right of First Refusal.** Should Free Rein ever wish to sell, transfer or assign its interest in the leases, well or wellbores related to the Lands, it shall promptly notify Legacy and Legacy will have sixty (60) Business Days to submit a bid for the same. Alternatively, if Free Rein receives an offer to purchase, transfer or assign its interest in the leases, well or wellbores related to the Lands, Legacy shall have a right of first refusal that must be exercised within sixty (60) Business Days of Legacy's receipt of a copy of the offer to purchase the same on the same terms and conditions set out in the offer.
- 13.4 **Legal and Accounting Fees.** All costs and expenses incurred in respect of this Agreement, including legal and accounting charges, shall be borne by the Party that incurs the same, unless otherwise agreed.
- 13.5 **Obligations as Covenants.** Each obligation of a party in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.
- 13.6 **Invalidity.** If any covenant, obligation or agreement or part thereof or the application thereof to any Person or circumstance is held to be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement or part thereof to any Person or circumstance other than those to which it is held invalid or unenforceable will not be affected. Each covenant, obligation and agreement in this Agreement will be separately valid and enforceable to the fullest extent permitted by law.
- 13.7 **Amendment of Agreement.** No supplement, modification, waiver or termination of this Agreement will be binding unless executed in writing by the Party to be bound thereby.
- 13.8 **Successors and Assigns.** All of this Agreement will be binding upon the Parties and their respective successors and assigns and will enure to the benefit of and be enforceable by the

Parties and the successors and assigns of any Party only to the extent that they are permitted successors and assigns under this Agreement.

- 13.9 **Time.** Time will be of the essence of this Agreement, except as specifically provided otherwise in this Agreement.
- 13.10 **Non-Waiver.** No consent or waiver of any breach or default by any party in the performance of its obligations under this Agreement will be deemed to be construed to be a consent to or waiver of any other breach or default in the performance by that Party of the same or any other obligations of that Party under this Agreement. Failure by either Party to complain of any act or failure to act of the other Party or to declare the other Party in default, irrespective of how long such failure continues, will not constitute a waiver by that Party of its rights under this Agreement.
- 13.11 **Rights of Parties Independent.** The rights available to each Party under this Agreement and at law will be deemed to be several and not dependent on each other and each such right will be accordingly construed as complete in itself and not by reference to any other such right. Any one or more and any combination of those rights may be exercised by a party from time to time and no such exercise will exhaust those rights or preclude any other Party from exercising any one or more of those rights or combination of those rights from time to time thereafter or simultaneously.
- 13.12 **Further Assurances.** The Parties will execute all such further documentation and take all such further action as may be necessary or desirable to give full effect to this Agreement.
- 13.13 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties and there are no warranties, representations or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement.
- 13.14 **Counterparts/Fax/Email.** This Agreement may be executed electronically and in separate counterparts, each of which when so executed shall be deemed an original, but all such counterparts shall together constitute one and the same document. This Agreement may be executed and transmitted by fax or email and if so executed and transmitted this Agreement will be for all purposes as effective as if the Parties had delivered an executed original Agreement.

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

FREE REIN RESOURCES LTD.

by its authorized signatory:

Natalie Heffernan Digitally signed by Natalie Heffernan
Date: 2023.06.27 17:46:10 -06'00'

Natalie Heffernan

Terry
McCallum

Digitally signed by Terry McCallum
Date: 2023.06.27 17:47:19 -06'00'

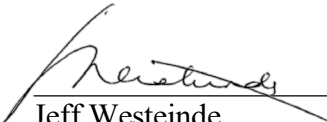
Terry McCallum

LEGACY DISPOSAL FACILITY LTD.

by its authorized signatory:


Digitally Signed By Eli Hazlehurst
2023/06/28

Eli Hazlehurst



Jeff Westeinde

SCHEDULE A

Revenues and Proportionate Share of Revenues and Expenses

1.1 Until Legacy recovers full payment of the Underground Cost:

- (a) To Legacy: 75%
- (b) To Free Rein: 25%

1.2 After Legacy recovers full payment of the Underground Cost:

- (a) To Legacy: 50%
- (b) To Free Rein: 50%

SCHEDULE B

Operating Costs and Joint Venture Expenses

- 1.1 For the purposes of this Agreement, “**Operating Costs**” means:
- (a) Benefits
 - (b) Cellular & Radios
 - (c) Chemicals
 - (d) Deprecation Equipment
 - (e) Equipment Rental Costs
 - (f) Filtration needs
 - (g) Liability Insurance
 - (h) Licenses & Misc. Insurance/Claims
 - (i) Property Tax
 - (j) Site Manager
 - (k) Utilities
 - (l) Vehicle Fuel
 - (m) Vehicle Insurance
 - (n) Vehicle Lease/Allowance Expense
 - (o) Vehicle Repairs & Maintenance
 - (p) Wellsite Repairs & Maintenance
 - (q) Following the transfer of well infrastructure as per Clause 7.1, all costs associated with licensing, posting security, consulting fees and any other costs associated with applying for and maintaining the Facility and Infrastructure licensing.
- 1.2 For the purposes of this Agreement, “**Joint Venture Expenses**” means:
- (r) 11-27 Surface lease
 - (s) Administration Wages
 - (t) Advertising/Promotions
 - (u) Benefits
 - (v) Computer Services
 - (w) Courier Service
 - (x) Office Supplies/Expenses
 - (y) Professional Fees

(z) Safety/Training/Conferences

SCHEDULE C

FREE REIN ASSETS TO ASSIGN & CONVEY FOR WFM LICENSE TRANSFER

1.1 Two surface leases to be assigned over:

- 13-23-051-27W4
- 11-27-051-27W4

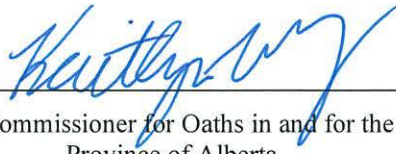
Pipeline and ROW:

- R/W 1847
- R/W 4627

Wellbore:

- 100/11-27-051-27W4

This is Exhibit "V"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2024/01/25
Time of Search: 10:57 AM
Search provided by: FASKEN MARTINEAU DUMOULIN LLP
Service Request Number: 41333166
Customer Reference Number: 324505.00011

Corporate Access Number: 2116651536

Business Number:

Legal Entity Name: NUCOR ENVIRONMENTAL SOLUTIONS LTD.

Legal Entity Status: Active

Extra-Provincial Type: Other Prov/Territory Corps

Registration Date: 2012/03/19 YYYY/MM/DD

Date Of Formation in Home Jurisdiction: 2011/11/17 YYYY/MM/DD

Home Jurisdiction: BRITISH COLUMBIA

Home Jurisdiction CAN: BC0925430

Head Office Address:

Street: 100 - 32160 SOUTH FRASER WAY

City: ABBOTSFORD

Province: BRITISH COLUMBIA

Postal Code: V2T1W5

Email Address: CORPORATE@KUHNCO.NET

Primary Agent for Service:

| Last Name | First Name | Middle Name | Firm Name | Street | City | Province | Postal Code | Email |
|-----------|------------|-------------|---------------------|--------------------------|---------|----------|-------------|-------------------|
| DEKENS | ANTHONY L. | | BISHOP MCKENZIE LLP | 2200, 555-44TH AVENUE SW | CALGARY | ALBERTA | T2P3E7 | CALCORP@BMMLLP.CA |

Other Information:

Filing History:

| List Date (YYYY/MM/DD) | Type of Filing |
|-------------------------------|---|
| 2012/03/19 | Register Extra-Provincial Profit / Non-Profit Corporation |
| 2016/12/08 | Change Attorney |
| 2021/03/28 | Attorney for Service converted to Agent for Service |
| 2022/05/04 | Change Agent for Service |
| 2022/05/06 | Change Address |

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





BC Company Summary

For NUCOR ENVIRONMENTAL SOLUTIONS LTD.

Date and Time of Search: January 25, 2024 10:01 AM Pacific Time
Currency Date: December 07, 2023

ACTIVE

Incorporation Number: BC0925430
Name of Company: NUCOR ENVIRONMENTAL SOLUTIONS LTD.
Business Number: 839441086 BC0001
Recognition Date and Time: Incorporated on November 17, 2011 01:00 PM Pacific Time
Last Annual Report Filed: November 17, 2023
In Liquidation: No
Receiver: No

COMPANY NAME INFORMATION

Previous Company Name 0925430 B.C. LTD.
Date of Company Name Change December 22, 2011

REGISTERED OFFICE INFORMATION

Mailing Address: 100 - 32160 SOUTH FRASER WAY
ABBOTSFORD BC V2T 1W5
CANADA
Delivery Address: 100 - 32160 SOUTH FRASER WAY
ABBOTSFORD BC V2T 1W5
CANADA

RECORDS OFFICE INFORMATION

Mailing Address: 100 - 32160 SOUTH FRASER WAY
ABBOTSFORD BC V2T 1W5
CANADA
Delivery Address: 100 - 32160 SOUTH FRASER WAY
ABBOTSFORD BC V2T 1W5
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Dumelie, Lawrence James

Mailing Address: 17466 - 2A AVENUE
SURREY BC V3S 6R9
CANADA
Delivery Address: 17466 - 2A AVENUE
SURREY BC V3S 6R9
CANADA

Last Name, First Name, Middle Name:

Stuckert, Brian

Mailing Address:

2550 PALISADE CRESCENT
PORT COQUITLAM BC V3C 6B2
CANADA

Delivery Address:

2550 PALISADE CRESCENT
PORT COQUITLAM BC V3C 6B2
CANADA

Last Name, First Name, Middle Name:

Westeinde, Jeff

Mailing Address:

55 - 1554 CARLING AVENUE
OTTAWA ON K1Z 7M4
CANADA

Delivery Address:

55 - 1554 CARLING AVENUE
OTTAWA ON K1Z 7M4
CANADA

Last Name, First Name, Middle Name:

Wynn, Doug

Mailing Address:

1142 - 196A STREET
LANGLEY BC V2Z 1W4
CANADA

Delivery Address:

1142 - 196A STREET
LANGLEY BC V2Z 1W4
CANADA

OFFICER INFORMATION AS AT November 17, 2023**Last Name, First Name, Middle Name:**

Dumelie, Lawrence James

Office(s) Held: (President)

Mailing Address:

17466 - 2A AVENUE
SURREY BC V3S 6R9
CANADA

Delivery Address:

17466 - 2A AVENUE
SURREY BC V3S 6R9
CANADA

Last Name, First Name, Middle Name:

Hazlehurst, Eli Edward
name corrected, formerly Hazelhurst, Eli Edward

Office(s) Held: (Other Office(s))

Mailing Address:

53027 RANGE RD. 14
PARKLAND COUNTY AB T7Y 2T3
CANADA

Delivery Address:

53027 RANGE RD. 14
PARKLAND COUNTY AB T7Y 2T3
CANADA

Last Name, First Name, Middle Name:

Wynn, Doug

Office(s) Held: (Secretary)

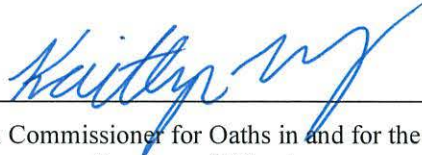
Mailing Address:

1142 - 196A STREET
LANGLEY BC V2Z 1W4
CANADA

Delivery Address:

1142 - 196A STREET
LANGLEY BC V2Z 1W4
CANADA

This is Exhibit "W"
Referred to in the Affidavit of
CHRIS WUTZKE
Sworn before me this 2nd day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

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

Date of Search: 2024/01/25
Time of Search: 10:55 AM
Search provided by: FASKEN MARTINEAU DUMOULIN LLP
Service Request Number: 41333150
Customer Reference Number: 324505.00011

Corporate Access Number: 2024662153
Business Number: 758048144
Legal Entity Name: LEGACY DISPOSAL FACILITY LTD.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2022/10/18 YYYY/MM/DD

Registered Office:

Street: 2200, 555 - 4TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P3E7

Records Address:

Street: 2200, 555 - 4TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P3E7

Email Address: CALCORP@BM LLP.CA

Primary Agent for Service:

| Last Name | First Name | Middle Name | Firm Name | Street | City | Province | Postal Code | Email |
|-----------|------------|-------------|-----------------------|---------------------------|---------|----------|-------------|-------------------|
| DEKENS | ANTHONY | L. | BISHOP & MCKENZIE LLP | 2200, 555 - 4TH AVENUE SW | CALGARY | ALBERTA | T2P3E7 | CALCORP@BM LLP.CA |

Directors:

Last Name: DUMELIE
First Name: LAWRENCE

Middle Name: JAMES
Street/Box Number: 17466 - 2A AVENUE
City: SURREY
Province: BRITISH COLUMBIA
Postal Code: V3S6R9

Last Name: HAZLEHURST
First Name: ELI
Street/Box Number: 53027 RANGE ROAD 14
City: PARKLAND COUNTY
Province: ALBERTA
Postal Code: T7Y2T3

Voting Shareholders:

Last Name: 0811846 B.C. LTD.
Street: 2550 PALISADE CRESCENT
City: PORT COQUITLAM
Province: BRITISH COLUMBIA
Postal Code: V3C6B2
Percent Of Voting Shares: 20

Last Name: C BAR V CONSULTING INC.
Street: 53027 RANGE RD 14
City: PARKLAND COUNTY
Province: ALBERTA
Postal Code: T7Y2T3
Percent Of Voting Shares: 10

Last Name: C3 ACQUISITION INC.
Street: 55 - 1554 CARLING AVENUE
City: OTTAWA
Province: ONTARIO
Postal Code: K1Z7M4
Percent Of Voting Shares: 25

Last Name: CHARLAKA HOLDINGS LTD.
Street: 100 - 32160 SOUTH FRASER WAY
City: ABBOTSFORD
Province: BRITISH COLUMBIA
Postal Code: V2T1W5
Percent Of Voting Shares: 20

Last Name: WYNN CAPITAL CORPORATION INC.
Street: 666 BURRARD STREET
City: VANCOUVER

Province: BRITISH COLUMBIA
Postal Code: V6C2Z7
Percent Of Voting Shares: 25

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED
Share Transfers Restrictions: SEE SCHEDULE "B" ATTACHED
Min Number Of Directors: 1
Max Number Of Directors: 7
Business Restricted To: THERE ARE NO RESTRICTIONS ON THE BUSINESS THAT THE CORPORATION CAN CARRY OUT.
Business Restricted From: THERE ARE NO RESTRICTIONS ON THE BUSINESS THAT THE CORPORATION CAN CARRY OUT.
Other Provisions: SEE SCHEDULE "C" ATTACHED

Other Information:

Last Annual Return Filed:

| File Year | Date Filed (YYYY/MM/DD) |
|-----------|-------------------------|
| 2023 | 2023/11/20 |

Filing History:

| List Date (YYYY/MM/DD) | Type of Filing |
|------------------------|---|
| 2022/10/18 | Incorporate Alberta Corporation |
| 2022/10/18 | Update Business Number Legal Entity |
| 2023/09/05 | Change Director / Shareholder |
| 2023/11/20 | Enter Annual Returns for Alberta and Extra-Provincial Corp. |

Attachments:

| Attachment Type | Microfilm Bar Code | Date Recorded (YYYY/MM/DD) |
|---|--------------------|----------------------------|
| Share Structure | ELECTRONIC | 2022/10/18 |
| Restrictions on Share Transfers | ELECTRONIC | 2022/10/18 |
| Other Rules or Provisions | ELECTRONIC | 2022/10/18 |

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

