

COURT FILE NUMBER 1601 - 12571

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, as amended

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LIGHTSTREAM RESOURCES LTD, 1863359 ALBERTA LTD, LTS RESOURCES PARTNERSHIP, 1863360 ALBERTA LTD AND BAKKEN RESOURCES PARTNERSHIP

APPLICANTS LIGHTSTREAM RESOURCES LTD, 1863359 ALBERTA LTD AND 1863360 ALBERTA LTD

PARTIES IN INTEREST LTS RESOURCES PARTNERSHIP AND BAKKEN RESOURCES PARTNERSHIP

DOCUMENT SUPPLEMENTAL AFFIDAVIT (Approval and Vesting Order)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
3500 Bankers Hall East
855 - 2nd Street SW
Calgary, Alberta T2P 4J8

Attention: Kelly Bourassa / Milly Chow
Telephone No.: 403-260-9697 / 416-863-2594
Email: kelly.bourassa@blakes.com / milly.chow@blakes.com
Fax No.: 403-260-9700
File: 89691/8

SUPPLEMENTAL AFFIDAVIT OF PETER D. SCOTT

Sworn on December 5, 2016

I, PETER D. SCOTT, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am the Senior Vice President and Chief Financial Officer of Lightstream Resources Ltd. ("LTS"). LTS is the parent company to 1863359 Alberta Ltd. ("1863359"), 1863360 Alberta Ltd. ("1863360" and together with LTS and 1863359, collectively, the "Applicants"), LTS Resources Partnership ("LTS Partnership") and Bakken Resources Partnership ("Bakken Partnership" and together with LTS Partnership, the "Partnerships"). I am also a director of 1863359 and 1863360. As such, I have personal knowledge of the matters deposed to in this Supplemental Affidavit, except where stated to be based upon information, in which case I believe the same to be true.
2. This Affidavit is supplemental to my Affidavit sworn November 29, 2016 (the "AVO Affidavit"), previously filed in this Action.
3. Capitalized terms used but not defined herein have the meaning ascribed to them in the AVO Affidavit.
4. The Applicants and the Partnerships are collectively referred to in this Affidavit as the "CCAA Parties".
5. This Supplemental Affidavit is sworn in support of the CCAA Parties' application (the "Application"), filed, for the approval of an Order, substantially in the forms attached to the Application as Schedule "C" (the "Approval and Vesting Order"), granting relief, including but not limited to:
 - (a) approving the purchase and sale transaction (the "Transaction") for the Purchased Assets, as defined and contemplated in the asset purchase agreement (the "Purchase Agreement") dated as of November 29, 2016 by and between the CCAA Parties, as sellers, and 1090247 B.C. Ltd., as buyer (the "Buyer"), on the terms and conditions set forth in the Purchase Agreement; and
 - (b) authorizing the CCAA Parties to take such corporate and other actions required to comply with section 3.5 of the Purchase Agreement and the potential

reorganization, transactions or actions contemplated thereby, to complete the Transaction:

6. A detailed background on the CCAA Parties and the circumstances leading up to this Application is fully set out in the AVO Affidavit.

I. **PARTNERSHIP AGREEMENTS**

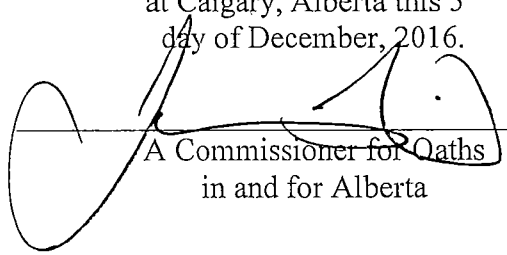
7. The Partnerships were formed pursuant to the following:
 - (a) partnership agreement dated December 2, 2014 between LTS (as successor to Lightstream Resources Partnership) and 1863360 Alberta Ltd. (the "**LTS Partnership Agreement**") providing for the creation of LTS Resources Partnership. Attached hereto and marked collectively as Exhibit "A" is a copy of the LTS Partnership Agreement and an amendment thereto dated January 2, 2015; and
 - (b) partnership agreement dated December 2, 2014 between LTS (as successor to Lightstream Resources Partnership) and 1863359 Alberta Ltd. (the "**Bakken Partnership Agreement**"; and together with the LTS Partnership Agreement, the "**Partnership Agreements**") providing for the creation of Bakken Resources Partnership. Attached hereto and marked collectively as Exhibit "B" is a copy of the Bakken Partnership Agreement and an amendment thereto dated January 2, 2015.
8. Pursuant to section 3.5 of the Purchase Agreement and as may be directed by the Buyer, the CCAA Parties will undertake such corporate actions and steps as are deemed necessary or desirable by the Buyer to effect a corporate reorganization prior to closing the Transaction in order to maximize the Tax Pools (as defined in the Purchase Agreement). These actions may include, but are not limited to, amending the Partnership Agreements to provide on dissolution of the Partnerships for an assumption by LTS of all the liabilities of the Partnerships, which shall be deemed to be a payment and discharge of the debts and liabilities of the Partnerships to the persons who are not partners.

1863359 and 1863360 will subsequently transfer their 0.01% interest in the Partnerships to LTS for \$1 and the assumption of all liabilities related thereto.

II. CONCLUSION

9. I swear this Supplemental Affidavit in support of the Application for the Approval and Vesting Order.


SWORN (OR AFFIRMED) BEFORE ME)
at Calgary, Alberta this 5th)
day of December, 2016.)
)
)
)
A Commissioner for Oaths)
in and for Alberta)
)



James W. Reid
Barrister & Solicitor


PETER D. SCOTT

This is Exhibit "A" referred to in the
Supplemental Affidavit of Peter D. Scott sworn
before me this 5th day of December A.D. 2016



A COMMISSIONER FOR OATHS IN AND
FOR ALBERTA

James W. Reid
Barrister & Solicitor

PARTNERSHIP AGREEMENT

**Providing for the creation of
BAKKEN RESOURCES PARTNERSHIP**

**Between
LIGHTSTREAM RESOURCES PARTNERSHIP**

**and
1863360 ALBERTA LTD.**

Made as of December 2, 2014

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PARTNERSHIP AGREEMENT

THIS AGREEMENT made as of December 2, 2014

BETWEEN

LIGHTSTREAM RESOURCES PARTNERSHIP, a
partnership created under the laws of the Province of Alberta
("LRP"),

- and -

1863360 ALBERTA LTD., a corporation incorporated under the
laws of the Province of Alberta ("1863360")

WHEREAS LRP and 1863360 wish to enter into a general partnership for the purpose of acquiring, owning and operating oil and gas assets (collectively, the "Assets") upon and subject to the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"**Additional Capital Contributions**" means the amount of cash or the fair market value of any property, as the case may be, contributed by a Partner by way of Capital to the Partnership less liabilities in respect of such property assumed by the Partnership as determined pursuant to a Contribution Agreement between the Partnership and a particular Partner;

"**Affiliate**" means the affiliate of a party as determined by the provisions of the *Securities Act* (Alberta).

"**Agreement**" means this agreement, including its recitals, as amended from time to time.

"**Business Day**" means a day other than a Saturday, Sunday or statutory holiday in Alberta.

"**Capital**" means the amount of cash or the value of all property contributed to the capital of the Partnership pursuant to the provisions hereof.

"**Capital Account**" of a Partner means an account to which is credited or debited all Capital contributions received from and Capital distributions made, respectively, to such Partner, in accordance with the provisions of Article 6.

"Contribution Agreement" means any conveyance and contribution agreement entered into by a Partner and the Partnership under and by virtue of which such Partner conveys and contributes any property to the Partnership as an Additional Capital Contribution.

"Current Account" of a Partner means an account to which is credited or debited the net income or net loss, respectively, of the Partnership allocated to such Partner in accordance with the provisions of Article 6.

"Managing Partner" means LRP.

"Partners" means LRP and 1863360, together with such other persons who may become parties to this Agreement.

"Partnership" means the general partnership constituted by this Agreement.

"Partnership Business" means (i) the acquisition, ownership and operation of the oil and gas assets and related assets either alone, with other parties or through interests in corporations or other entities; (ii) the entering into of financial instruments with respect to assets referred to in (i); (iii) the conduct of such other businesses and undertakings as the Managing Partner shall determine from time to time, and (iv) such other undertakings and matters as may be incidental or ancillary to any of the foregoing.

"Partnership Interest" of a Partner, at any time, means the amount, expressed as a percentage, obtained by dividing the Capital Account of the Partner by the aggregate Capital Accounts of all the Partners at such time and multiplying by 100.

1.02 Headings

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.03 Extended Meanings

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities. The term "including" means "including without limiting the generality of the foregoing".

1.04 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as

the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.05 **Currency**

All references to currency herein are to lawful money of Canada.

ARTICLE 2 - FORMATION OF PARTNERSHIP

2.01 **Formation**

The Partners hereby constitute themselves a general partnership for the purpose of carrying on the Partnership Business. To the extent not otherwise provided for herein, the Partnership will be governed by the provisions of the *Partnerships Act* (Alberta).

2.02 **Business**

The Partnership will not carry on any business other than the Partnership Business and no assets of the Partnership will be used by any Partner for any purpose other than the Partnership Business.

2.03 **Name**

The name of the Partnership will be "Bakken Resources Partnership".

2.04 **Authority**

Except as otherwise provided herein, no Partner will have any authority to act for, or assume any obligation or responsibility on behalf of, any other Partner or the Partnership.

2.05 **Activities**

Each Partner will act in good faith toward, and in the best interests of, the Partnership and will devote such time as may be required to fulfill the obligations assumed by the Partner in this Agreement.

ARTICLE 3 - PLACE OF PARTNERSHIP BUSINESS

3.01 **Location**

The principal place of business shall at all times be the principal office of the Managing Partner which, for the time being, shall be 2800, 525 - 8th Avenue S.W., Calgary, Alberta T2P 1G1, and the books and records of accounts of the Partnership will be kept there.

3.02 **Qualification**

To the extent required by any applicable law, the Partnership and each Partner will qualify to carry on the Partnership Business where the Partnership Business is to be carried on from time to

time and will maintain such registrations as may be necessary to lawfully carry on the Partnership Business.

ARTICLE 4 - MANAGEMENT

4.01 Management by Managing Partner

Subject to the express provisions of this Agreement, the Managing Partner shall have full, exclusive and complete discretion in the management and control of the Partnership Business and shall make all decisions affecting the Partnership Business. In carrying out the foregoing functions and in operating the Partnership Business, the Managing Partner shall use its efforts to act in accordance with the purposes set forth herein and in connection therewith the Managing Partner:

- (a) shall manage, control and co-ordinate the Partnership Business and do or cause to be done any and all acts necessary, appropriate or incidental to the Partnership Business;
- (b) may delegate to another party or parties the management duties and responsibilities of the Partnership and shall have the right to appoint any other Partner as a co-managing Partner for the purposes of assisting the Managing Partner to perform its duties hereunder;
- (c) may execute, on behalf of the Partnership, any and all documents, agreements or instruments of any kind which the Managing Partner may deem appropriate in carrying out the Partnership Business;
- (d) shall enter into for and on behalf of the Partnership, or cause the Partnership to enter into, any leases or similar agreements whereby the Partnership leases the real property required for the operation of the Partnership Business from the Partners or such other persons as the Managing Partner may determine;
- (e) may hold Partnership property in the Partnership name, in the name of the Managing Partner or in the name of a nominee chosen by the Managing Partner;
- (f) may execute, on behalf of the Partnership, any and all income tax elections and filings as the Managing Partner may deem appropriate;
- (g) shall provide for accounting, maintenance of records, maintenance and safekeeping of all Partnership documents, the provision of all clerical services required for the operations and activities of the Partnership, and the preparation and forwarding to the Partners of annual financial statements as of the end of each fiscal year and any other financial statements as may be required by the Partners in order to comply with any regulatory and/or exchange listing requirements;
- (h) shall make all filings necessary to register the Partnership and maintain such registration in all jurisdictions in which the Partnership carries on business in accordance with Applicable Law in such jurisdiction;

- (i) may make available to the Partnership the services of certain of the employees of the Managing Partner;
- (j) may sell any or all of the Partnership property on such terms as the Managing Partner considers appropriate; and
- (k) shall manage, control and operate the Partnership Business and shall cause to be done any and all acts necessary, appropriate or incidental to the Partnership Business and shall do so honestly, in good faith and in the best interests of the Partnership and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

4.02 **Reimbursement of Managing Partner**

- (a) the Partnership will reimburse the Managing Partner for all costs incurred by the Managing Partner in the performance of its duties hereunder, including costs directly incurred for the benefit of the Partnership, professional fees and such portion of the general office, overhead and administrative costs of the Managing Partner as are fairly allocated to the services rendered by the Managing Partner under this Agreement, but specifically excluding expenses of any action, suit or other proceeding in which or in relation to which the Managing Partner is adjudged to be in breach of any duty or responsibility imposed upon the Managing Partner hereunder.
- (b) Costs incurred by the Managing Partner on behalf of the Partnership shall not be considered an Additional Capital Contribution to the Partnership and reimbursement by the Partnership for such costs shall not be considered a return of Capital to the Managing Partner.

4.03 **Authority of Managing Partner**

No Person with whom the Partnership deals shall be required to determine the authority of the Managing Partner to give any undertaking or enter into any commitment on behalf of the Partnership or to see to the application or distribution of revenues or proceeds paid to the Managing Partner.

4.04 **Execution of Instruments**

Contracts, documents or instruments in writing requiring execution by the Partnership may be signed by the Managing Partner and all contracts, documents and instruments in writing so signed will be binding upon the Partnership without further authorization or formality. The Managing Partner is authorized from time to time by resolution to authorize such persons to sign and deliver on behalf of the Partnership either contracts, documents or instruments in writing generally or specific contracts, documents or instruments in writing.

6.03 Additional Capital Contributions

The Partners will, in proportion to the Partnership Interests then owned, make from time to time such Additional Capital Contributions to the Partnership as are unanimously agreed upon by the Partners.

6.04 Contributions and Indemnification

If at any time a Partner pays or is required to or becomes liable for debts and liabilities of the Partnership in excess of its Partnership Interest therein, that Partner shall have as against each other Partner a right of recovery of the appropriate proportion of such excess and a right of indemnification against such debts and liabilities.

6.05 Principles Applying to Asset Contributions

With regard to the contribution by the Partners of assets to the Partnership from time to time, unless otherwise agreed, the following principles shall apply:

- (a) to the extent that the consent of any person is required for the transfer to the Partnership of any contractual benefits and rights and that consent is not obtained by the contribution date, the Partner to whom such benefits and rights belong shall hold and exercise the benefits and rights under such contract and will observe and perform all of its obligations thereunder for and on behalf of the Partnership, until such consent is obtained and the assignment can be completed, the termination or expiration of such benefits and rights, or the termination of this Partnership, whichever first occurs;
- (b) to the extent that a Partner holds rights pursuant to any license, permit, approval, exemption certificate or any other right granted pursuant to government or regulatory authority, which rights form part of the assets to be contributed by such Partner to the Partnership and are required in order to carry on the business of the Partnership, and such rights are not assignable to the Partnership, such Partner agrees, to the extent it may do so without breaching any requirement of law, to hold and to exercise the same and observe and perform the obligations arising therefrom for and on behalf of the Partnership for so long as the Partnership may require;
- (c) to the extent that legal or registered title to any property, including land, buildings and equipment the beneficial interest in or the ownership of which is contributed to the Partnership, is retained in the name of a Partner, such Partner agrees to hold such legal or registered title as nominee and agent for the Partnership and agrees, upon the request of the Managing Partner, to convey such legal or registered title in accordance with the directions of the Managing Partner or to take any such other steps and execute all such documents as the Managing Partner may reasonably require to evidence or secure the beneficial interest or the ownership of the Partnership therein;
- (d) to the extent that legal or registered title to any property, including land, buildings and equipment the beneficial interest in or ownership of which is contributed to the

Partnership, is retained in the name of any other person for the benefit of a Partner, such Partner agrees to cause such other person to hold such legal or registered title for the benefit of the Partnership and agrees that it will, upon the request of the Managing Partner, cause such other person to convey such legal or registered title in accordance with the directions of the Managing Partner or to take any such other steps and execute all such documents as the Managing Partner may reasonably require to evidence or secure the beneficial interest or the ownership of the Partnership therein; and

- (e) to the extent that, subsequent to a contribution of assets to the Partnership by a Partner, such Partner receives any amount or property in relation to such assets to which amount or property the Partnership is entitled, such Partner agrees that it receives such amount or property as Partnership property and that it will promptly remit such amount or property to the Partnership.

6.06 **Income, Losses and Distributions**

- (a) Income and losses of the Partnership will be determined in accordance with generally accepted accounting principles. All net income and net losses of the Partnership will be shared by and allocated to the Partners in proportion to their respective Partnership Interests.
- (b) Subject to the requirements of Applicable Law, distributions in respect of Partnership income shall be made at such times and in such amounts as determined by the Managing Partner. Unless otherwise determined by the Managing Partner in its sole discretion, such distributions, when made, shall be distributed to the Partners *pro rata* in accordance with their respective Partnership Interests. The Managing Partner may, in its sole discretion from time to time, make advances to Partners in respect of income in such amounts and in such proportions as the Managing Partner may determine.

6.07 **Return of Capital**

Except as otherwise expressly provided in this Agreement, Capital will only be returned to the Partners with the unanimous approval of all of the Partners.

6.08 **Income Tax Deductions**

In respect of each financial year, unless otherwise unanimously agreed by the Partners, the Partnership will deduct maximum capital cost allowances in respect of depreciable property of the Partnership, the maximum amount of other deductions and maximum reserves as permitted under the *Income Tax Act* (Canada) and provincial legislation.

6.09 **Transfer of Partnership Interest**

A Partner may transfer, sell or otherwise dispose of all or a portion of its Partnership Interest to a third party or to another Partner with the prior written approval of the Managing Partner. Any

such transfer, sale or disposition must be accompanied by documentation whereby the transferee becomes bound by the terms of this Agreement.

ARTICLE 7 - COVENANTS

7.01 Covenants

Each Partner covenants that, throughout the term of this Agreement, the Partner will:

- (a) ensure its continued qualification under the laws of its jurisdiction of incorporation and such jurisdictions where the Partnership conducts the Partnership Business to the extent it is reasonably within its power to do so;
- (b) not disclose or use any proprietary information owned by the other Partners or the Partnership to which it may have access by virtue of the Partnership, except for the purposes of the Partnership;
- (c) not permit any security interest, encumbrance, pledge or other similar claim to exist on its Partnership Interest or its interest in any property of the Partnership; and
- (d) at all times duly and punctually pay and discharge separate and private debts and engagements whether present or future and keep the Partnership and the other Partners indemnified therefrom and from all actions, proceedings, costs, claims, demands, damages and expenses in respect thereof.

ARTICLE 8 - TERMINATION AND DISSOLUTION

8.01 Term

The Partnership created by this Agreement will begin on the date hereof and will continue thereafter until the Partners otherwise agree in writing to dissolve the Partnership, notwithstanding changes from time to time in the persons who are Partners.

8.02 Dissolution

- (a) The Partnership will only be dissolved upon agreement in writing of all the Partners.
- (b) Upon dissolution of the Partnership, a full and general account will be taken of the assets, credits, debts and liabilities of the Partnership and of the transactions and dealings thereof and such assets and credits will be expeditiously sold, realized and collected and the proceeds applied as follows:
 - (i) firstly, in paying and discharging the debts and liabilities of the Partnership to the persons who are not Partners and the expenses of and incidental to the dissolution of the Partnership;
 - (ii) secondly, in paying to each Partner any unpaid debts and liabilities (including any unpaid net profits) which may be due to it;

- (iii) thirdly, in paying to each Partner an amount equal to any credit balance in its Capital Account; and
- (iv) fourthly, the balance, if any, of such proceeds will be divided between the Partners proportionately to their Partnership Interests.

ARTICLE 9 -GENERAL

9.01 Further Assurances

Each Partner will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other Partners or the Management Committee may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

9.02 Public Announcements

Except as required by law, no public announcement or press release concerning the Partnership will be made by any Partner without the prior consent and joint approval of the other Partners.

9.03 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, other legal representatives, successors and permitted assigns of the parties.

9.04 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.

9.05 Amendments and Waivers

No modification of or amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by the parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

9.06 Assignment

Except as may be expressly provided in this Agreement, no Partner may assign its rights or obligations under this Agreement without the prior written consent of the other Partner.

IN WITNESS WHEREOF the parties have executed this Agreement.

**LIGHTSTREAM RESOURCES
PARTNERSHIP,**
by its managing partner Lightstream Resources
Ltd.

Per: Armine Selukh

1863360 ALBERTA LTD.

Per: Armine Selukh

FILED

January 2, 2015
McCarthy Tétrault LLP
Calgary, Alberta

**Amendment to Declaration
of Partnership**

Per: [Signature]

Partnership Act

Name of Partnership	Registration Number
BAKKEN RESOURCES PARTNERSHIP	PT18640995

We, the persons named as partners in the Declaration of Partnership declare that:

- The partnership name indicated above has been changed to

_____ *New Name of Partnership*

- The current partners are (if more than two partners please attach a list):

(a) LIGHTSTREAM RESOURCES LTD.
Name in Full

2800, 525 - 8TH AVENUE SW, CALGARY, AB, T2P 1G1
Home Address in Full

[Signature]
Identification

(b) 1863360 ALBERTA LTD.
Name in Full

2800, 525 - 8TH AVENUE SW, CALGARY, AB, T2P 1G1
Home Address in Full

[Signature]
Identification

- Do the names above reflect :

a change of partners? Yes No

a change of home address of partner? Yes No

- Date of declaration: 2015/01/02
Year / Month / Day

This information is being collected for the purposes of corporate registry records in accordance with the Partnership Act. Questions about the collection of this information can be directed to the Freedom of Information and Protection of Privacy Coordinator for the Alberta Government, Box 3140, Edmonton, Alberta T5J 2G7, (780) 427-7013.

Amend Partnership - Proof of Filing

Alberta Amendment Date: 2015/01/02

The change to the Partners of BAKKEN RESOURCES PARTNERSHIP - PT18640995 is filed as of 2015/01/02

Service Request Number: 22582070
Registration Date: 2014/12/02
Registration Number: PT18640995
Partnership Name: BAKKEN RESOURCES PARTNERSHIP
Type of Business: OIL AND GAS EXPLORATION AND PRODUCTION
Business Location: CALGARY
Commencement Date: 2014/12/01

Partner

Partner Status: Active
Partner Type: Legal Entity
Corporate Access Number: 2018633608
Last Name/Legal Entity Name: 1863360 ALBERTA LTD.
Street: 2800, 525 - 8TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 1G1

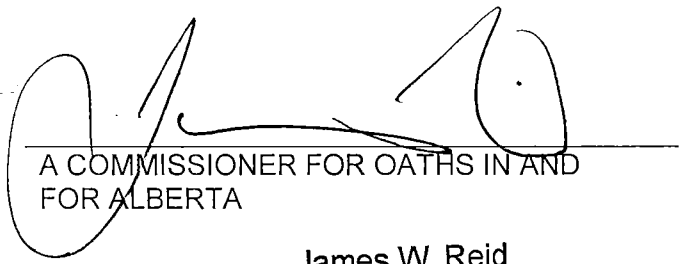
Partner Status: Active
Partner Type: Legal Entity
Corporate Access Number: 2017211075
Last Name/Legal Entity Name: LIGHTSTREAM RESOURCES LTD.
Street: 2800, 525 - 8TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 1G1

Partner Status: Inactive
Partner Type: Other
Last Name/Legal Entity Name: LIGHTSTREAM RESOURCES PARTNERSHIP
Street: 2800, 525 - 8 AVENUE SW

City: CALGARY
Province: ALBERTA
Postal Code: T2P 1G1

Registration Authorized By: ANNIE BELECKI
OFFICER

This is Exhibit "B" referred to in the
Supplemental Affidavit of Peter D. Scott sworn
before me this 5th day of December A.D. 2016



A COMMISSIONER FOR OATHS IN AND
FOR ALBERTA

James W. Reid
Barrister & Solicitor

PARTNERSHIP AGREEMENT

Providing for the creation of
LTS RESOURCES PARTNERSHIP

Between

LIGHTSTREAM RESOURCES PARTNERSHIP

and

1863359 ALBERTA LTD.

Made as of December 2, 2014

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PARTNERSHIP AGREEMENT

THIS AGREEMENT made as of December 2, 2014

BETWEEN

LIGHTSTREAM RESOURCES PARTNERSHIP, a
partnership created under the laws of the Province of Alberta
("LRP"),

- and -

1863359 ALBERTA LTD., a corporation incorporated under the
laws of the Province of Alberta ("**1863359**")

WHEREAS LRP and 1863359 wish to enter into a general partnership for the purpose of acquiring, owning and operating oil and gas assets (collectively, the "Assets") upon and subject to the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"**Additional Capital Contributions**" means the amount of cash or the fair market value of any property, as the case may be, contributed by a Partner by way of Capital to the Partnership less liabilities in respect of such property assumed by the Partnership as determined pursuant to a Contribution Agreement between the Partnership and a particular Partner;

"**Affiliate**" means the affiliate of a party as determined by the provisions of the *Securities Act* (Alberta).

"**Agreement**" means this agreement, including its recitals, as amended from time to time.

"**Business Day**" means a day other than a Saturday, Sunday or statutory holiday in Alberta.

"**Capital**" means the amount of cash or the value of all property contributed to the capital of the Partnership pursuant to the provisions hereof.

"**Capital Account**" of a Partner means an account to which is credited or debited all Capital contributions received from and Capital distributions made, respectively, to such Partner, in accordance with the provisions of Article 6.

"Contribution Agreement" means any conveyance and contribution agreement entered into by a Partner and the Partnership under and by virtue of which such Partner conveys and contributes any property to the Partnership as an Additional Capital Contribution.

"Current Account" of a Partner means an account to which is credited or debited the net income or net loss, respectively, of the Partnership allocated to such Partner in accordance with the provisions of Article 6.

"Managing Partner" means LRP.

"Partners" means LRP and 1863359, together with such other persons who may become parties to this Agreement.

"Partnership" means the general partnership constituted by this Agreement.

"Partnership Business" means (i) the acquisition, ownership and operation of the oil and gas assets and related assets either alone, with other parties or through interests in corporations or other entities; (ii) the entering into of financial instruments with respect to assets referred to in (i); (iii) the conduct of such other businesses and undertakings as the Managing Partner shall determine from time to time, and (iv) such other undertakings and matters as may be incidental or ancillary to any of the foregoing.

"Partnership Interest" of a Partner, at any time, means the amount, expressed as a percentage, obtained by dividing the Capital Account of the Partner by the aggregate Capital Accounts of all the Partners at such time and multiplying by 100.

1.02 Headings

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.03 Extended Meanings

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities. The term "including" means "including without limiting the generality of the foregoing".

1.04 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as

the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.05 Currency

All references to currency herein are to lawful money of Canada.

ARTICLE 2 - FORMATION OF PARTNERSHIP

2.01 Formation

The Partners hereby constitute themselves a general partnership for the purpose of carrying on the Partnership Business. To the extent not otherwise provided for herein, the Partnership will be governed by the provisions of the *Partnerships Act* (Alberta).

2.02 Business

The Partnership will not carry on any business other than the Partnership Business and no assets of the Partnership will be used by any Partner for any purpose other than the Partnership Business.

2.03 Name

The name of the Partnership will be "LTS Resources Partnership".

2.04 Authority

Except as otherwise provided herein, no Partner will have any authority to act for, or assume any obligation or responsibility on behalf of, any other Partner or the Partnership.

2.05 Activities

Each Partner will act in good faith toward, and in the best interests of, the Partnership and will devote such time as may be required to fulfill the obligations assumed by the Partner in this Agreement.

ARTICLE 3 - PLACE OF PARTNERSHIP BUSINESS

3.01 Location

The principal place of business shall at all times be the principal office of the Managing Partner which, for the time being, shall be 2800, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1, and the books and records of accounts of the Partnership will be kept there.

3.02 Qualification

To the extent required by any applicable law, the Partnership and each Partner will qualify to carry on the Partnership Business where the Partnership Business is to be carried on from time to

time and will maintain such registrations as may be necessary to lawfully carry on the Partnership Business.

ARTICLE 4 - MANAGEMENT

4.01 Management by Managing Partner

Subject to the express provisions of this Agreement, the Managing Partner shall have full, exclusive and complete discretion in the management and control of the Partnership Business and shall make all decisions affecting the Partnership Business. In carrying out the foregoing functions and in operating the Partnership Business, the Managing Partner shall use its efforts to act in accordance with the purposes set forth herein and in connection therewith the Managing Partner:

(a) shall manage, control and co-ordinate the Partnership Business and do or cause to be done any and all acts necessary, appropriate or incidental to the Partnership Business;

(b) may delegate to another party or parties the management duties and responsibilities of the Partnership and shall have the right to appoint any other Partner as a co-managing Partner for the purposes of assisting the Managing Partner to perform its duties hereunder;

(c) may execute, on behalf of the Partnership, any and all documents, agreements or instruments of any kind which the Managing Partner may deem appropriate in carrying out the Partnership Business;

(d) shall enter into for and on behalf of the Partnership, or cause the Partnership to enter into, any leases or similar agreements whereby the Partnership leases the real property required for the operation of the Partnership Business from the Partners or such other persons as the Managing Partner may determine;

(e) may hold Partnership property in the Partnership name, in the name of the Managing Partner or in the name of a nominee chosen by the Managing Partner;

(f) may execute, on behalf of the Partnership, any and all income tax elections and filings as the Managing Partner may deem appropriate;

(g) shall provide for accounting, maintenance of records, maintenance and safekeeping of all Partnership documents, the provision of all clerical services required for the operations and activities of the Partnership, and the preparation and forwarding to the Partners of annual financial statements as of the end of each fiscal year and any other financial statements as may be required by the Partners in order to comply with any regulatory and/or exchange listing requirements;

(h) shall make all filings necessary to register the Partnership and maintain such registration in all jurisdictions in which the Partnership carries on business in accordance with Applicable Law in such jurisdiction;

(i) may make available to the Partnership the services of certain of the employees of the Managing Partner;

(j) may sell any or all of the Partnership property on such terms as the Managing Partner considers appropriate; and

(k) shall manage, control and operate the Partnership Business and shall cause to be done any and all acts necessary, appropriate or incidental to the Partnership Business and shall do so honestly, in good faith and in the best interests of the Partnership and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

4.02 Reimbursement of Managing Partner

(a) The Partnership will reimburse the Managing Partner for all costs incurred by the Managing Partner in the performance of its duties hereunder, including costs directly incurred for the benefit of the Partnership, professional fees and such portion of the general office, overhead and administrative costs of the Managing Partner as are fairly allocated to the services rendered by the Managing Partner under this Agreement, but specifically excluding expenses of any action, suit or other proceeding in which or in relation to which the Managing Partner is adjudged to be in breach of any duty or responsibility imposed upon the Managing Partner hereunder.

(b) Costs incurred by the Managing Partner on behalf of the Partnership shall not be considered an Additional Capital Contribution to the Partnership and reimbursement by the Partnership for such costs shall not be considered a return of Capital to the Managing Partner.

4.03 Authority of Managing Partner

No Person with whom the Partnership deals shall be required to determine the authority of the Managing Partner to give any undertaking or enter into any commitment on behalf of the Partnership or to see to the application or distribution of revenues or proceeds paid to the Managing Partner.

4.04 Execution of Instruments

Contracts, documents or instruments in writing requiring execution by the Partnership may be signed by the Managing Partner and all contracts, documents and instruments in writing so signed will be binding upon the Partnership without further authorization or formality. The Managing Partner is authorized from time to time by resolution to authorize such persons to sign and deliver on behalf of the Partnership either contracts, documents or instruments in writing generally or specific contracts, documents or instruments in writing.

ARTICLE 5 — FISCAL YEAR, ACCOUNTING AND REPORTING

5.01 **Books and Records**

The books and records of accounts of the Partnership will reflect all Partnership transactions. Such books and records will be maintained at the principal place of business of the Partnership and will be open to examination during normal business hours by any Partner or independent accountant selected by a Partner.

5.02 **Fiscal Year**

The fiscal period of the Partnership shall be December 31 of each year, unless otherwise determined by resolution of the Partners.

5.03 **Financial Statements**

As soon as practicable after the end of each fiscal year of the Partnership, financial statements will be prepared, for and as of the end of such fiscal year, in accordance with International Financial Reporting Standards consistently applied, and such financial statements will show the assets and the liabilities of the Partnership, all income and revenue received and receivable and all expenses, costs and charges incurred and paid or payable by the Partnership in respect of such fiscal year, with the resulting net profit or loss of the Partnership in respect of such fiscal year, and will also show the amounts standing to the credit of each Partner hereto in respect of its Capital Account and Current Account, all in accordance with the provisions herein contained.

**ARTICLE 6 - CONTRIBUTIONS
ALLOCATIONS AND DISTRIBUTIONS**

6.01 **Classes of Accounts**

(a) The Partnership will maintain a Capital Account and a Current Account for each Partner.

(b) The Capital contributions by each Partner will be credited to the Capital Account maintained for such Partner and the Capital distributed to such Partner will be debited therefrom.

(c) The net income of the Partnership allocated to each Partner will be credited to the Current Account maintained for such Partner and any net loss of the Partnership allocated to such Partner will be debited therefrom. All other distributions to the Partners (except Capital distributions) will be debited from the Current Account.

6.02 **Initial Capital Contributions**

Concurrently with the execution hereof, the Partners will make Capital contributions to the Partnership as follows:

Lightstream Resources Partnership	\$999.90
1863359 Alberta Ltd.	\$0.10

6.03 **Additional Capital Contributions**

The Partners will, in proportion to the Partnership Interests then owned, make from time to time such Additional Capital Contributions to the Partnership as are unanimously agreed upon by the Partners.

6.04 **Contributions and Indemnification**

If at any time a Partner pays or is required to or becomes liable for debts and liabilities of the Partnership in excess of its Partnership Interest therein, that Partner shall have as against each other Partner a right of recovery of the appropriate proportion of such excess and a right of indemnification against such debts and liabilities.

6.05 **Principles Applying to Asset Contributions**

With regard to the contribution by the Partners of assets to the Partnership from time to time, unless otherwise agreed, the following principles shall apply:

(a) to the extent that the consent of any person is required for the transfer to the Partnership of any contractual benefits and rights and that consent is not obtained by the contribution date, the Partner to whom such benefits and rights belong shall hold and exercise the benefits and rights under such contract and will observe and perform all of its obligations thereunder for and on behalf of the Partnership, until such consent is obtained and the assignment can be completed, the termination or expiration of such benefits and rights, or the termination of this Partnership, whichever first occurs;

(b) to the extent that a Partner holds rights pursuant to any license, permit, approval, exemption certificate or any other right granted pursuant to government or regulatory authority, which rights form part of the assets to be contributed by such Partner to the Partnership and are required in order to carry on the business of the Partnership, and such rights are not assignable to the Partnership, such Partner agrees, to the extent it may do so without breaching any requirement of law, to hold and to exercise the same and observe and perform the obligations arising therefrom for and on behalf of the Partnership for so long as the Partnership may require;

(c) to the extent that legal or registered title to any property, including land, buildings and equipment the beneficial interest in or the ownership of which is contributed to the Partnership, is retained in the name of a Partner, such Partner agrees to hold such legal or registered title as nominee and agent for the Partnership and agrees, upon the request of the Managing Partner, to convey such legal or registered title in accordance with the directions of the Managing Partner or to take any such other steps and execute all such documents as the Managing Partner may reasonably require to evidence or secure the beneficial interest or the ownership of the Partnership therein;

(d) to the extent that legal or registered title to any property, including land, buildings and equipment the beneficial interest in or ownership of which is contributed to the Partnership, is retained in the name of any other person for the benefit of a Partner, such Partner agrees to cause

such other person to hold such legal or registered title for the benefit of the Partnership and agrees that it will, upon the request of the Managing Partner, cause such other person to convey such legal or registered title in accordance with the directions of the Managing Partner or to take any such other steps and execute all such documents as the Managing Partner may reasonably require to evidence or secure the beneficial interest or the ownership of the Partnership therein; and

(e) to the extent that, subsequent to a contribution of assets to the Partnership by a Partner, such Partner receives any amount or property in relation to such assets to which amount or property the Partnership is entitled, such Partner agrees that it receives such amount or property as Partnership property and that it will promptly remit such amount or property to the Partnership.

6.06 **Income, Losses and Distributions**

(a) Income and losses of the Partnership will be determined in accordance with generally accepted accounting principles. All net income and net losses of the Partnership will be shared by and allocated to the Partners in proportion to their respective Partnership Interests.

(b) Subject to the requirements of Applicable Law, distributions in respect of Partnership income shall be made at such times and in such amounts as determined by the Managing Partner. Unless otherwise determined by the Managing Partner in its sole discretion, such distributions, when made, shall be distributed to the Partners *pro rata* in accordance with their respective Partnership Interests. The Managing Partner may, in its sole discretion from time to time, make advances to Partners in respect of income in such amounts and in such proportions as the Managing Partner may determine.

6.07 **Return of Capital**

Except as otherwise expressly provided in this Agreement, Capital will only be returned to the Partners with the unanimous approval of all of the Partners.

6.08 **Income Tax Deductions**

In respect of each financial year, unless otherwise unanimously agreed by the Partners, the Partnership will deduct maximum capital cost allowances in respect of depreciable property of the Partnership, the maximum amount of other deductions and maximum reserves as permitted under the *Income Tax Act* (Canada) and provincial legislation.

6.09 **Transfer of Partnership Interest**

A Partner may transfer, sell or otherwise dispose of all or a portion of its Partnership Interest to a third party or to another Partner with the prior written approval of the Managing Partner. Any such transfer, sale or disposition must be accompanied by documentation whereby the transferee becomes bound by the terms of this Agreement.

ARTICLE 7 - COVENANTS

7.01 Covenants

Each Partner covenants that, throughout the term of this Agreement, the Partner will:

- (a) ensure its continued qualification under the laws of its jurisdiction of incorporation and such jurisdictions where the Partnership conducts the Partnership Business to the extent it is reasonably within its power to do so;
- (b) not disclose or use any proprietary information owned by the other Partners or the Partnership to which it may have access by virtue of the Partnership, except for the purposes of the Partnership;
- (c) not permit any security interest, encumbrance, pledge or other similar claim to exist on its Partnership Interest or its interest in any property of the Partnership; and
- (d) at all times duly and punctually pay and discharge separate and private debts and engagements whether present or future and keep the Partnership and the other Partners indemnified therefrom and from all actions, proceedings, costs, claims, demands, damages and expenses in respect thereof.

ARTICLE 8 - TERMINATION AND DISSOLUTION

8.01 Term

The Partnership created by this Agreement will begin on the date hereof and will continue thereafter until the Partners otherwise agree in writing to dissolve the Partnership, notwithstanding changes from time to time in the persons who are Partners.

8.02 Dissolution

- (a) The Partnership will only be dissolved upon agreement in writing of all the Partners.
- (b) Upon dissolution of the Partnership, a full and general account will be taken of the assets, credits, debts and liabilities of the Partnership and of the transactions and dealings thereof and such assets and credits will be expeditiously sold, realized and collected and the proceeds applied as follows:
 - (i) firstly, in paying and discharging the debts and liabilities of the Partnership to the persons who are not Partners and the expenses of and incidental to the dissolution of the Partnership;
 - (ii) secondly, in paying to each Partner any unpaid debts and liabilities (including any unpaid net profits) which may be due to it;
 - (iii) thirdly, in paying to each Partner an amount equal to any credit balance in its Capital Account; and

IN WITNESS WHEREOF the parties have executed this Agreement.

**LIGHTSTREAM RESOURCES
PARTNERSHIP,**
by its managing partner Lightstream Resources
Ltd.

Per: Annus Belokh

1863359 ALBERTA LTD.

Per: Annus Belokh

FILED

65

January 2, 2015
McCarthy Tétrault LLP
Calgary, Alberta

**Amendment to Declaration
of Partnership**

Per: [Signature]

Partnership Act

Name of Partnership	Registration Number
LTS RESOURCES PARTNERSHIP	PT18641035

We, the persons named as partners in the Declaration of Partnership declare that:

1. The partnership name indicated above has been changed to

_____ *New Name of Partnership*

2. The current partners are (if more than two partners please attach a list):

(a) LIGHTSTREAM RESOURCES LTD.
Name In Full

2800, 525 - 8TH AVENUE SW, CALGARY, AB, T2P 1G1

Home Address In Full

[Signature]
Identification

(b) 1863359 ALBERTA LTD.
Name In Full

2800, 525 - 8TH AVENUE SW, CALGARY, AB, T2P 1G1

Home Address In Full

[Signature]
Identification

3. Do the names above reflect:

a change of partners? Yes No

a change of home address of partner? Yes No

4. Date of declaration: 2015/01/02
Year / Month / Day

This information is being collected for the purposes of corporate registry records in accordance with the Partnership Act. Questions about the collection of this information can be directed to the Freedom of Information and Protection of Privacy Coordinator for the Alberta Government, Box 3140, Edmonton, Alberta T5J 2G7, (780) 427-7013.

City: CALGARY
Province: ALBERTA
Postal Code: T2P 1G1

Registration Authorized By: ANNIE BELECKI
OFFICER