ARRANGEMENT AGREEMENT

between

HORIZON PETROLEUM LTD.

and

ISKANDER ENERGY CORP.

Dated April 19, 2016

TABLE OF CONTENTS

Page

ARRANGEMENT AGREEMENT

THIS AGREEMENT dated the 19th day of April, 2016

BETWEEN:

HORIZON PETROLEUM LTD., a corporation existing under the laws of the Province of Alberta ("**Horizon**")

\- and -

ISKANDER ENERGY CORP., a corporation existing under the *Business Corporations Act* (Alberta) ("**Iskander**")

RECITALS:

WHEREAS the board of directors of Horizon has unanimously determined that the business combination to be effected by way of a plan of arrangement is advisable and in the best interest of Horizon and its shareholders;

AND WHEREAS the board of directors of Horizon has approved the transactions contemplated by this Arrangement Agreement and unanimously determined to recommend that shareholders of Horizon approve a special resolution approving the plan of arrangement;

AND WHEREAS the board of directors of Iskander has unanimously determined that the business combination to be effected by way of a plan of arrangement is advisable and in the best interest of Iskander;

AND WHEREAS the board of directors of Iskander has approved the transactions contemplated by this Arrangement Agreement and unanimously determined to recommend that shareholders of Iskander approve a special resolution approving the plan of arrangement;

AND WHEREAS Horizon and Iskander intend that the proposed business combination be effected by way of a Plan of Arrangement under the provisions of the *Business Corporations Act* (Alberta);

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the Parties, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS, INTERPRETATION AND SCHEDULES

1.01 Definitions

In this Arrangement Agreement, unless the context otherwise requires, the following defined terms have the meanings ascribed to them below:

(a) "**ABCA**" means the *Business Corporations Act* (Alberta), as amended, including the regulations promulgated thereunder;

(b) "**Acquisition Proposal**" means, other than the transactions contemplated by this Arrangement Agreement and, in respect of a Party, any *bona fide* inquiry, proposal or offer, whether or not subject to due diligence or other conditions and whether oral or in writing, regarding (whether in one transaction or in a series of transactions) (i) any merger, take-over bid, issuer bid, amalgamation, plan of arrangement, share exchange, business combination, consolidation, recapitalization, reorganization or similar transaction, or any liquidation, dissolution or winding-up in respect of a Party; (ii) any sale or disposition of all or a material portion of the assets of a Party where such assets represent more than 20% of the assets of the Party or contribute more than 20% of the consolidated revenues of the Party in respect of the 3 month period ended November 30, 2015 (in the case of Horizon) and the year ended December 31, 2015 (in the case of Iskander); and (iii) any sale or acquisition of 20% or more of any class of a Party's outstanding equity securities of a Party (or rights or interests therein or thereto); or (iv) any proposal or offer to, or public announcement of an intention to do, any of the foregoing from any Person;

(c) "**Applicable Securities Laws**" means the *Securities Act* (Alberta) and the regulations thereunder and all other Canadian securities laws, rules, regulations and published policies of the applicable Securities Authorities;

(d) "**Arrangement**" means the arrangement under the provisions of Section 193 of the ABCA on the terms and conditions set forth in the Plan of Arrangement, subject to any amendment or supplement thereto made in accordance therewith, herewith or made at the direction of the Court in the Final Order with the prior written consent of each Party, acting reasonably;

(e) "**Arrangement Agreement**" or "**Agreement**" means this arrangement agreement and the schedules attached hereto, as amended, amended and restated or supplemented from time to time;

(f) "**Arrangement Consideration**" means collectively, the Horizon Arrangement Consideration and the Iskander Arrangement Consideration;

(g) "**Arrangement Resolutions**" means collectively, the Horizon Arrangement Resolution and the Iskander Arrangement Resolution;

(h) "**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under Subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been granted, to give effect to the Arrangement;

(i) "**Authorization**" means with respect to any Party, any authorization, order, permit, approval, grant, licence, registration, consent, right, notification, condition, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decision, decree, by-law, rule or regulation whether or not having the force of Law;

(j) "**Business Day**" means any day, other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;

(k) "**Change in Horizon Recommendation**" shall have the meaning ascribed thereto in Subsection 4.01(b)(iv)A;

(l) "**Change in Iskander Recommendation**" shall have the meaning ascribed thereto in Subsection 4.01(b)(v)A;

(m) "**Circular Information**" means the information included in the Joint Circular describing a Party and its business, operations and affairs and the matters to be considered at the Meetings;

(n) "**Completion Deadline**" means the date by which the transactions contemplated by this Arrangement Agreement are to be completed, which date shall be prior to June 30, 2016, or such later date as may be agreed to in writing by the Parties;

(o) "**Contracts**" means any written contract, agreement, license, franchise, lease, arrangement or other right or obligation to which a Party or any of their respective Subsidiaries is a party or by which a Party or any of their respective Subsidiaries is bound or affected or to which any of their respective properties or assets is subject;

(p) "**Court**" means the Court of Queen's Bench of Alberta;

(q) "**Depositary**" means such Canadian trust company as may be appointed by Horizon and Iskander for the purpose of, among other things, exchanging certificates representing Horizon Shares and Iskander Shares for certificates representing Newco Shares in connection with the Arrangement;

(r) "**Disclosed Personal Information**" shall have the meaning ascribed thereto in Section 8.01;

(s) "**Effective Date**" means the date the Arrangement becomes effective under the ABCA;

(t) "**Effective Time**" means the Effective Time as defined in the Plan of Arrangement;

(u) "**Encumbrance**" includes any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, adverse claim, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

(v) "**Environmental Approvals**" means all permits, certificates, licences, authorizations, consents, instructions, registrations, directions or approvals issued or required by any Governmental Entity pursuant to any Environmental Law;

(w) "**Environmental Laws**" means all applicable Laws, including applicable common law, relating to the protection of the environment and public health and safety, and includes Environmental Approvals;

(x) "**Final Order**" means the final order of the Court in form acceptable to the Parties, each acting reasonably, approving the Arrangement, as such order may be amended by the Court with the consent of the Parties at any time prior to the Effective Time or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

(y) "**Governmental Entity**" means:

(i) any supranational body or organization, nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing;

(ii) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any court; and

(iii) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of such entities or other bodies;

(z) "**Horizon**" means Horizon Petroleum Ltd., a corporation existing under the laws of the Province of Alberta, Canada;

(aa) "**Horizon Arrangement Consideration**" means 1 Newco Share for 6 Horizon Shares;

(bb) "**Horizon Arrangement Resolution**" means the special resolution of the Horizon Shareholders approving the Arrangement and the Plan of Arrangement pursuant to this Arrangement Agreement, substantially in the form set out in Schedule "C";

(cc) "**Horizon Board**" means the board of directors of Horizon;

(dd) “**Horizon Dissent Procedures**” means the procedures to be taken by a registered Horizon Shareholder in exercising Horizon Dissent Rights;

(ee) “**Horizon Dissent Rights**” means the rights of dissent to be provided to registered Horizon Shareholders in respect of the Arrangement in accordance with the ABCA and the Interim Order as contemplated in the Plan of Arrangement;

(ff) “**Horizon Financial Statements**” shall have the meaning ascribed thereto in Subsection 3.01(e);

(gg) “**Horizon Financing**” means an equity financing of Horizon Shares for aggregate gross proceeds of a minimum of $1.2 million and a maximum of $2 million, or such greater amount as may be approved by the Horizon Board and the Iskander Board, to be completed by Horizon prior to the Effective Time pursuant to the terms and conditions of binding subscription agreements between Horizon and subscribers to the equity financing;

(hh) “**Horizon Lock-Up Agreements**” means the voting and support agreements dated of even date herewith between Iskander and the Horizon Locked-Up Shareholders;

(ii) “**Horizon Locked-Up Shareholders**” means the directors and officers of Horizon who are party to the Horizon Lock-Up Agreements;

(jj) “**Horizon Material Contracts**” shall have the meaning ascribed thereto in Subsection 3.01(r);

(kk) “**Horizon Meeting**” means the special meeting, including any adjournments or postponements thereof, of the Horizon Shareholders to be held to consider and, if deemed advisable, to approve the Horizon Arrangement Resolution;

(ll) “**Horizon Options**” means all options to purchase Horizon Shares outstanding immediately prior to the date hereof and issued pursuant to the Horizon Stock Option Plan;

(mm) “**Horizon Public Documents**” shall have the meaning ascribed thereto in Subsection 3.01(d);

(nn) “**Horizon Shareholder Approval**” shall have the meaning ascribed to such term in Subsection 2.02(a)(v)A;

(oo) “**Horizon Shareholders**” means the holders of Horizon Shares;

(pp) “**Horizon Shares**” means common shares in the capital of Horizon;

(qq) “**Horizon Shares for Debt Transaction**” means the issuance of 3,040,000 Horizon Shares at a price of $0.05 per Horizon Share to directors of Horizon as payment for fees in the aggregate amount of $152,010 owed to certain directors of Horizon for serving on the Horizon Board;

(rr) "**Horizon Stock Option Plan**" means the stock option plan of Horizon;

(ss) "**Horizon Termination Fee**" means a cash termination payment in an amount equal to $100,000 payable by Horizon to Iskander, upon the occurrence of an Horizon Termination Fee Event;

(tt) "**Horizon Termination Fee Event**" shall have the meaning ascribed thereto in Subsection 6.03(c);

(uu) "**IFRS**" means International Financial Reporting Standards formulated by the International Accounting Standards Board, as updated and amended from time to time;

(vv) "**Interim Order**" means the interim order of the Court pursuant to the ABCA, made in connection with the Arrangement, as such order may be amended, supplemented or varied by the Court with the consent of the Parties, each acting reasonably;

(ww) "**Iskander**" means Iskander Energy Corp., a corporation existing under the ABCA;

(xx) "**Iskander Arrangement Consideration**" means 1 Newco Share for 3,495 Iskander Shares;

(yy) "**Iskander Arrangement Resolution**" means the special resolution of Iskander Shareholders approving the Arrangement and the Plan of Arrangement pursuant to this Arrangement Agreement, substantially in the form set out in Schedule "D";

(zz) "**Iskander Board**" means the board of directors of Iskander;

(aaa) "**Iskander Dissent Rights**" means the rights of dissent to be provided to registered Iskander Shareholders in respect of the Arrangement in accordance with the ABCA and the Interim Order as contemplated in the Plan of Arrangement;

(bbb) "**Iskander Escrowed Shareholders**" means Iskander Shareholders holding more than five percent of the issued and outstanding Iskander Shares;

(ccc) "**Iskander Financial Statements**" shall have the meaning ascribed thereto in Subsection 3.02(e);

(ddd) "**Iskander Lock-Up Agreements**" means the voting and support agreements dated of even date herewith between Horizon and the Iskander Locked-Up Shareholders;

(eee) "**Iskander Locked-Up Shareholders**" means the directors and officers of Iskander who are party to the Iskander Lock-Up Agreements;

(fff) "**Iskander Material Contracts**" shall have the meaning ascribed thereto in Subsection 3.02(r)(i);

(ggg) "**Iskander Meeting**" means the special meeting of Iskander Shareholders to consider and, if deemed advisable, approve the Iskander Arrangement Resolution;

(hhh) "**Iskander Options**" means all options to purchase Iskander Shares outstanding immediately prior to the date hereof and issued pursuant to the Iskander Stock Option Plan;

(iii) "**Iskander Properties**" means the interests of Iskander in all properties of Iskander, as described in Schedule "B" hereto;

(jjj) "**Iskander Rights**" means Iskander's rights to produce and sell its petroleum, natural gas and related hydrocarbons (including any exploration licences and permits, in each case, either existing under contract, by operation of Laws or otherwise) in the Iskander Properties;

(kkk) "**Iskander Shareholder Approval**" shall have the meaning ascribed to such term in Subsection 2.02(a)(v)B;

(lll) "**Iskander Shareholder Lock-Up Agreements**" means the voting and support agreements dated of the date herewith between Horizon and the Iskander Escrowed Shareholders;

(mmm) "**Iskander Shareholders**" means, at any time, the holders of Iskander Shares;

(nnn) "**Iskander Shares**" means common shares in the capital of Iskander;

(ooo) "**Iskander Stock Option Plan**" means the stock option plan of Iskander;

(ppp) "**Iskander Termination Fee**" means a cash termination payment in an amount equal to $100,000 payable by Iskander to Horizon upon the occurrence of a Iskander Termination Fee Event;

(qqq) "**Iskander Termination Fee Event**" shall have the meaning ascribed thereto in Subsection 6.03(d);

(rrr) "**Joint Circular**" means the notices of the Horizon Meeting and the Iskander Meeting, and accompanying management information circular, including all schedules thereto and documents incorporated by reference therein, to be sent to Horizon Shareholders in connection with the Horizon Meeting and to Iskander Shareholders in connection with the Iskander Meeting, and includes any amendments thereto;

(sss) "**Laws**" means any laws, including, without limitation, supranational, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, protocols, codes, guidelines, policies, notices, directions or other requirements of any Governmental Entity;

(ttt) "**Liability**" of any Person shall mean and include: (i) any right against such Person to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; (ii) any right against such Person to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to any equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured; and (iii) any obligation of such Person for the performance of any covenant or agreement (whether for the payment of money or otherwise);

(uuu) "**Lock-Up Agreements**" means collectively, the Iskander Lock-Up Agreements and the Horizon Lock-Up Agreements;

(vvv) "**Locked-Up Shareholders**" means collectively, the Iskander Locked-Up Shareholders and the Horizon Locked-Up Shareholders;

(www) "**LOI**" means the non-binding letter agreement dated as of February 26, 2016 between Horizon and Iskander in respect of the proposed business combination;

(xxx) "**Material Adverse Change**" means, in respect of any Person, any one or more changes, events or occurrences, and "**Material Adverse Effect**" means, in respect of any Person, an effect which, in either case, either individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the business, properties, assets, prospects, liabilities (including, without limitation, any contingent liabilities that may arise through outstanding or pending litigation), capitalization, financial condition, operations or results of operations of that Person and its Subsidiaries taken as a whole, other than any changes, events, occurrences or effect relating to or resulting from:

(i) the economies in the countries in which the Parties carry on active business, currency exchange, political conditions, commodity prices or securities markets in general including, without limitation, any royalty review by any Governmental Entity;

(ii) conditions affecting the oil and gas exploration, exploitation, development and production industry generally in jurisdictions in which the Parties carry on business, including changes in royalties, applicable Laws or Taxes (other than orders, judgments or decrees against that Person or any of its Subsidiaries) or any applicable change in IFRS;

(iii) any natural disaster, act of God, or the commencement, continuation, escalation of any war, armed hostilities or acts of terrorism;

(iv) a change in the market trading price of shares or trading volume of that Person, either:

(A) related to this Agreement and the Arrangement or the announcement thereof; or

(B) primarily resulting from a change, effect, event or occurrence excluded from this definition of Material Adverse Effect under clause (i), (ii), (iii), (iv), (v) or (vi) hereof;

(v) any matter that has been previously disclosed by a Party to the other Party or publicly disclosed as of the date hereof;

(vi) any action or inaction taken by any Person to which such action or inaction has been expressly consented to in writing or as expressly permitted or required by this Agreement;

provided, that in each of clauses (i), (ii) or (iii), that such change, event, occurrence, state of facts, development or effect may be taken into account if it affects that Person and its Subsidiaries, taken as a whole, in a materially disproportionate manner relative to other companies of similar size in the business and industries in which that Person and its Subsidiaries operate;

(yyy) "**Material Contract**" means, in respect of any Person, any Contract to which such Person is party: (i) that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect on such Person; (ii) under which such Person or any of its Subsidiaries has directly or indirectly guaranteed any liabilities or obligations of a third party (other than ordinary course endorsements for collection) in excess of $25,000 in the aggregate; (iii) relating to indebtedness for borrowed money, whether incurred, assumed, guaranteed or secured by any asset; (iv) providing for the establishment, organization or formation of any joint venture that is material to it; (v) under which such Person or any of its Subsidiaries is obligated to make or expects to receive payments in excess of $25,000 over the remaining term of the contract; (vi) that limits or restricts such Person or any of its Subsidiaries from engaging in any line of business or any geographic area in any material respect; (vii) that creates an exclusive dealing arrangement, right of first refusal or similar right or entitlement applicable to the Person or its property and assets; or (viii) that is otherwise material to such Person and its Subsidiaries, considered as a whole;

(zzz) "**Meetings**" means collectively, the Horizon Meeting and the Iskander Meeting;

(aaaa) "**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

(bbbb) "**Newco**" means the resulting issuer following completion of the Arrangement;

(cccc) "**Newco Board**" means the board of directors of Newco;

(dddd) "**Newco Options**" means all options to purchase Newco Shares issued pursuant to the Newco Stock Option Plan;

(eeee) “**Newco Shares**” means common shares in the capital of Newco;

(ffff) “**Newco Stock Option Plan**” means the stock option plan of Newco;

(gggg) “**Other Parties**” shall have the meaning ascribed thereto in Subsection 4.01(d);

(hhhh) “**Parties**” means Horizon and Iskander, and “**Party**” means any of them;

(iiii) “**Person**” means an individual, partnership, association, body corporate, joint venture, business organization, trustee, executor, administrative legal representative, Governmental Entity or any other entity, whether or not having legal status;

(jjjj) “**Plan of Arrangement**” means the plan of arrangement substantially in the form set out in Schedule “A” attached hereto and any amendment or variation thereto made in accordance with the Plan of Arrangement or Section 7.03;

(kkkk) “**Pre-Arrangement Reorganization**” shall have the meaning ascribed thereto in Subsection 4.02(a);

(llll) “**Registrar**” means the Registrar of Corporations for the Province of Alberta appointed under Section 263 of the ABCA;

(mmmm) “**Representatives**” shall have the meaning ascribed thereto in Section 6.01;

(nnnn) “**Right to Match Period**” shall have the meaning ascribed thereto in Subsection 6.01(i)(iv);

(oooo) “**SEC**” means the U.S. Securities and Exchange Commission;

(pppp) “**Securities Authorities**” means the securities regulatory authorities in each of the provinces and territories of Canada;

(qqqq) “**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

(rrrr) “**Shareholders**” means collectively, the Horizon Shareholders and the Iskander Shareholders;

(ssss) “**Subject Party**” shall have the meaning ascribed thereto in Subsection 4.01(d);

(tttt) “**Subsidiary**” means, with respect to a specified body corporate, any body corporate of which the specified body corporate is entitled to elect a majority of the directors thereof and shall include any body corporate, partnership, joint venture or other entity over which such specified body corporate exercises direction or control or which is in a like relation to such a body corporate, excluding any body corporate in respect of which such direction or control is not exercised by the specified body corporate as a result of any existing contract, agreement or commitment;

(uuuu) "**Superior Proposal**" means a *bona fide* written Acquisition Proposal made by a third party subsequent to the date hereof to purchase or otherwise acquire, directly or indirectly, (a) all of the voting shares not beneficially owned by the party making such Acquisition Proposal and pursuant to which all shareholders of the applicable Party are offered the same consideration in form and amount per voting share, or (b) all or substantially all of the assets of the applicable Party, and that (i) did not result from a breach of the provisions of Section 6.01, (ii) complies with all applicable Laws, (iii) in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to the reasonable satisfaction of the board of directors of the applicable Party, acting in good faith (after consultation with its financial advisors and outside legal counsel), to have been obtained to complete such Acquisition Proposal, (iv) is not subject to any due diligence and/or access condition that would allow access to the books, records, files, personnel or properties of the applicable Party beyond 5:00 p.m. (Calgary time) on the tenth Business Day after which access is first afforded to the third party making the Acquisition Proposal (provided, however, that the foregoing shall not restrict the ability of such third party to continue to review information provided to it by the applicable Party during such ten Business Day period), and (v) the board of directors of the applicable Party has determined in good faith (after consultation with its financial advisors and outside legal counsel) (A) is reasonably capable of completion without undue delay within the time and on the terms proposed taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the Person making such Acquisition Proposal, (B) would reasonably be expected, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable from a financial point of view to the shareholders of such Party than the Arrangement (including, without limitation, any adjustment to the terms and conditions of the Arrangement pursuant to Section 6.02), and (C) is necessary for the board of directors of the applicable Party in the discharge of its fiduciary duties under applicable Laws;

(vvvv) "**Tax**" and "**Taxes**" means all federal, state, local, provincial, municipal, branch or other taxes, including, without limitation, income, gross receipts, windfall profits, value added, ad valorem, property, capital, net worth, production, sales, use, licence, excise, franchise, employment, sales taxes, use taxes, value added taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, pension plan premiums, social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, mining taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Entity, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties;

(wwww) "**Tax Act**" means the *Income Tax Act* (Canada), and the regulations thereunder as may be amended from time to time;

(xxxx) "**Tax Returns**" means all returns, schedules, elections, declarations, reports, information returns, notices, forms, statements and other documents made, prepared or filed with any taxing authority or required to be made, prepared or filed with any Governmental Entity relating to Taxes;

(yyyy) "**Terminating Party**" shall have the meaning ascribed thereto in Subsection 6.03(g);

(zzzz) "**Termination Fee Event**" means an Iskander Termination Fee Event or a Horizon Termination Fee Event, as the case may be;

(aaaaa) "**Third Party Confidentiality Agreement**" shall have the meaning ascribed thereto in Subsection 6.01(f);

(bbbbb) "**TSXV**" means the TSX Venture Exchange;

(ccccc) "**U.S. Person**" shall have the meaning ascribed thereto in Rule 902(k) of Regulation S under the 1933 Act;

(ddddd) "**U.S. Securities Administrators**" means, collectively, the SEC and any state securities commission or similar regulatory authority of any state of the United States;

(eeeee) "**U.S. Securities Law**" means all applicable securities legislation in the United States, including without limitation, the 1933 Act and the 1934 Act, and the rules, orders and regulations promulgated thereunder, including judicial and administrative interpretations thereof, and the securities laws of the states of the United States;

(fffff) "**Working Capital**" means current assets less current liabilities calculated in accordance with IFRS;

(ggggg) "**1933 Act**" means the *Securities Act of 1933*, as amended, of the United States of America, and the rules and regulations promulgated from time to time thereunder; and

(hhhhh) "**1934 Act**" means the *Securities Exchange Act of 1934*, as amended, of the United States of America, and the rules and regulations promulgated from time to time thereunder.

1.02 Interpretation Not Affected by Headings

The division of this Arrangement Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Arrangement Agreement. The terms "this Arrangement Agreement", "hereof", "herein", "hereto", "hereunder" and similar expressions refer to this Arrangement Agreement and the schedules attached hereto and not to any particular article, section or other portion hereof and include any agreement, schedule or instrument supplementary or ancillary hereto or thereto.

1.03 Number, Gender and Persons

In this Arrangement Agreement, unless the context otherwise requires, words importing the singular only shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter, and the word Person and all words importing Persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any Governmental Entity, political subdivision or instrumentality thereof) and any other entity of any kind or nature whatsoever.

1.04 Date for any Action

If the date on which any action is required to be taken hereunder by any Party is not a Business Day in the place where an action is required to be taken, such action shall be required to be taken on the next succeeding day that is a Business Day in such place.

1.05 Statutory References

Any reference in this Arrangement Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.06 Currency

Unless otherwise stated, all references in this Arrangement Agreement to amounts of money are expressed in lawful money of Canada, and "$" refers to Canadian dollars.

1.07 Invalidity of Provisions

Each of the provisions contained in this Arrangement Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Law, the Parties waive any provision of Law that renders any provision of this Arrangement Agreement or any part thereof invalid or unenforceable in any respect. The Parties will engage in good faith negotiations to replace any provision hereof or any part thereof that is declared invalid or unenforceable with a valid and enforceable provision or part thereof, so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

1.08 Accounting Matters

Unless otherwise stated, all accounting terms used in this Arrangement Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made hereunder shall be made in a manner consistent with IFRS.

1.09 Knowledge

Where the phrases "to the knowledge of Horizon" or "to Horizon's knowledge" or "to the knowledge of Iskander" or "to Iskander's knowledge" are used in respect of Horizon and

Iskander, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon: (a) in the case of Horizon, the collective actual knowledge of those officers of Horizon after reasonable inquiry; and (b) in the case of Iskander, the collective actual knowledge of those officers of Iskander after reasonable inquiry.

1.10 Meaning of Certain Phrase

In this Arrangement Agreement the phrase "in the ordinary and regular course of business" shall mean and refer to those activities that are normally conducted by corporations engaged in the exploration, development and production of oil and natural gas and, with respect to the Parties, consistent with past practice of such Party, provided that in any event such action is not unreasonable.

1.11 Schedules

The following schedules are attached to, and are deemed to be incorporated into and form part of, this Arrangement Agreement:

Schedule	**Matter**
Schedule "A"	Form of Plan of Arrangement
Schedule "B"	Iskander Properties
Schedule "C"	Horizon Arrangement Resolution
Schedule "D"	Iskander Arrangement Resolution

ARTICLE 2
THE ARRANGEMENT

2.01 Arrangement and Meetings

(a) The Parties agree that the Arrangement will be implemented in accordance with and subject to the terms and conditions contained in this Arrangement Agreement and the Plan of Arrangement. In each case:

(i) a Horizon Shareholder (other than a registered Horizon Shareholder who has validly exercised its Horizon Dissent Rights) shall be entitled to receive, in exchange for each Horizon Share held, the Horizon Arrangement Consideration; and

(ii) an Iskander Shareholder (other than a registered Iskander Shareholder who has validly exercised its Iskander Dissent Rights) shall be entitled to receive, in exchange for each Iskander Share held, the Iskander Arrangement Consideration,

all as more specifically set out in the Plan of Arrangement.

(b) The Parties agree that the Meetings shall be held on the same date and, subject to the terms and conditions contained in this Arrangement Agreement, agree to take such actions from time to time as may be necessary in order to ensure that this occurs.

2.02 Court Proceedings

The Parties shall apply to the Court, in a manner acceptable to the Parties, acting reasonably, pursuant to the ABCA for the Interim Order and Final Order as follows:

(a) as soon as reasonably practicable after the date of execution of this Arrangement Agreement and subject to Subsection 4.01(a), the Parties shall file, proceed with and diligently prosecute an application to the Court for the Interim Order which shall request that the Interim Order shall provide, among other things:

(i) that each Horizon Shareholder shall be entitled to vote with respect to the Horizon Arrangement Resolution, with each Horizon Shareholder being entitled to one vote for each Horizon Share;

(ii) that each Iskander Shareholder shall be entitled to vote with respect to the Iskander Arrangement Resolution, with each Iskander Shareholder being entitled to one vote for each Iskander Share held;

(iii) for the holding of the Meetings and for the manner in which notices for such Meetings are to be provided, such notices to include, inter alia, that such Persons have a right to appear at the hearing before the Court at which the fairness of the Arrangement is to be adjudged;

(iv) for confirmation of the record date for each of the Meetings;

(v) that the requisite approval for the resolutions to be put forth at the Meetings shall be:

A. (I) 66⅔% of the votes cast on the Horizon Arrangement Resolution by the Horizon Shareholders, present in person or by proxy at the Horizon Meeting; and (II) if applicable, a majority of the votes cast on the Horizon Arrangement Resolution by Horizon Shareholders, present in person or by proxy at the Horizon Meeting (excluding Horizon Shares held by certain "interested parties" and "related parties" of any interested parties (as such terms are defined in MI 61-101) in accordance with the requirements of MI 61-101) (the "**Horizon Shareholder Approval**"); and

B. 66⅔% of the votes cast on the Iskander Arrangement Resolution by the Iskander Shareholders, present in person or by proxy at the Iskander Meeting (the "**Iskander Shareholder Approval**");

(vi) that, in all other respects, the terms, conditions and restrictions of the Horizon constating documents, including quorum requirements and other matters, shall apply in respect of the Horizon Meeting; the terms, conditions and restrictions of the Iskander constating documents, including quorum requirements and other matters, shall apply in respect of the Iskander Meeting;

(vii) that Newco intends to rely upon the exemption from registration provided by Subsection 3(a)(10) of the 1933 Act in connection with the issuance of Newco Shares to be issued in exchange for Horizon Shares and Iskander Shares as contemplated by the Arrangement, subject to and conditioned upon the Court's determination following a hearing that the terms and conditions of the Arrangement are fair and reasonable to the Shareholders;

(viii) for the grant of Horizon Dissent Rights to the registered holders of Horizon Shares and Iskander Dissent Rights to the registered holders of Iskander Shares;

(ix) for notice requirements with respect to the presentation of the application to the Court for the Final Order;

(x) that the Horizon Meeting may be adjourned or postponed from time to time by management of Horizon, and that the Iskander Meeting may be adjourned or postponed from time to time by management of Iskander, each in accordance with the terms of the Arrangement Agreement, without the need for additional approval of the Court;

(xi) that the record date for the Shareholders entitled to notice of and to vote at the Meetings, respectively, will not change in respect of any adjournment(s) of the Meetings, respectively; and

(xii) for such other matter as the Parties, each acting reasonably, may reasonably require, and

(b) subject to obtaining the approvals as contemplated by the Interim Order and as may be directed by the Court in the Interim Order, take all steps necessary or desirable to submit the Arrangement to the Court and to apply for the Final Order.

The notices of motion and related materials for the applications referred to in this Section 2.02 shall be in a form satisfactory to the Parties, each acting reasonably.

2.03 Effecting the Arrangement

Subject to the rights of termination contained in Article 7 hereof, upon the Horizon Shareholders providing the Horizon Shareholder Approval and the Iskander Shareholders providing the Iskander Shareholder Approval, in each case, in accordance with the Interim Order, the Parties obtaining the Final Order and the other conditions contained in Article 5 hereof being complied with or waived, to the extent required under the ABCA, the Parties shall, as soon as reasonably practicable, but in any event no later than two Business Days following the issuance of the Final Order, file with the Registrar the Articles of Arrangement, the Final Order and such other documents as may be required in order to effect the Arrangement, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred effective as of the Effective Date in the order set out in the Plan of Arrangement without further act or formality.

2.04 Consultation

The Parties will consult with each other in issuing any press release or otherwise making any public statement with respect to this Arrangement Agreement or the Arrangement and in making any filing with the Court or the Registrar, any Governmental Entity, Securities Authorities, U.S. Securities Administrators or stock exchange with respect thereto. Each of the Parties shall use its commercially reasonable best efforts to enable each of the other of them to review and comment on all such press release and filings prior to the release or filing, respectively, thereof and shall give reasonable consideration to any comments made by the other Parties and their counsel.

2.05 U.S. Securities Law Matters

(a) The Parties agree that the Arrangement will be structured such that the issuance of Newco Shares to Shareholders pursuant to the Arrangement will be issued in reliance on the exemption from the registration requirement of the 1933 Act provided by Subsection 3(a)(10) thereof. In order to ensure the availability of the exemption from registration provided by Subsection 3(a)(10) of the 1933 Act, the Parties agree that the Arrangement will be carried out on the following basis:

(i) prior to the issuance of the Interim Order, the Court will be advised of the intention of the parties to rely on the exemption from registration provided by Subsection 3(a)(10) of the 1933 Act with respect to the issuance of the Newco Shares pursuant to the Arrangement, based on the Court's approval of the Arrangement;

(ii) the Court will be required to hold a hearing to satisfy itself that the terms and conditions of the Arrangement are fair and reasonable to the Shareholders;

(iii) the Parties will ensure that the Shareholders entitled to receive Newco Shares pursuant to the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right;

(iv) the Interim Order approving the Meetings will specify that the Shareholders will have the right to appear before the Court at the hearing so long as they enter an appearance within a reasonable time; and

(v) the Final Order approving the Arrangement that is obtained from the Court will expressly state that the terms and conditions of the Arrangement are approved by the Court as being fair and reasonable to the Shareholders.

2.06 Closing

The closing of the Arrangement will take place at the offices of Fasken Martineau DuMoulin LLP, located at 3400, 350 – 7th Avenue S.W. Calgary, Alberta, at 8:00 a.m. (Calgary time) on the Effective Date or such other place and time as may be agreed to by the Parties.

2.07 Board of Directors and Senior Management of Newco Following the Arrangement

(a) In accordance with the Plan of Arrangement, the Newco Board shall be comprised of the following persons:

(i) David Winter;

(ii) Yogeshwar Sharma;

(iii) Charle Gamba;

(iv) Michael Hibberd;

(v) Luis Vazquez; and

(vi) Michael Florence,

or such as other directors as may be mutually determined by the Horizon Board and the Iskander Board.

(b) Immediately following the appointment of the Newco Board pursuant to Section 2.07(a), the Newco Board shall appoint members of the Newco management team, including David Winter as Chief Executive Officer, Roger McMechan as Chief Operating Officer and Darren Moulds as Chief Financial Officer.

2.08 Lock-Up Agreements

Contemporaneously with the execution and delivery of this Agreement, the Parties shall deliver the Lock-Up Agreements executed by each of the directors and officers of the Parties and, as soon as reasonably practicable following the execution and delivery of this Agreement, the Iskander Escrowed Shareholders shall deliver the Iskander Shareholder Lock-Up Agreements executed by each of the Iskander Escrowed Shareholders.

2.09 Cancellation and Termination of Horizon Options

In accordance with the Plan of Arrangement all outstanding Horizon Options and any other convertible securities of Horizon will be cancelled for no consideration.

2.10 Cancellation and Termination of Iskander Options

In accordance with the Plan of Arrangement all outstanding Iskander Options and Iskander Warrants will be cancelled for no consideration.

2.11 Withholding

The Parties, Newco and the Depositary shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any Person hereunder and from all dividends or other distributions otherwise payable to any former Shareholder such amounts as the Parties, Newco or the Depositary are required to deduct and withhold with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986 or any provision of any applicable federal, provincial, state, local or foreign tax Laws, in each case, as amended. To the extent the amount required to be deducted or withheld from any consideration payable or otherwise deliverable to any Person hereunder exceeds the amount of cash consideration, if any, otherwise payable to the Person, a Party, Newco or the Depositary is hereby authorized to sell or otherwise dispose of any non-cash consideration payable to the Person as is necessary to provide sufficient funds to Newco, the Party or the Depositary, as the case may be, to enable it to comply with all deduction or withholding requirements applicable to it, and Newco, the Party or the Depositary, as applicable, shall notify such Person and remit to such Person any unapplied balance of the net proceeds of such sale. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the relevant Person in respect of which such deduction and withholding was made, provided that such withheld amounts are remitted to the appropriate Governmental Entity.

2.12 Horizon Financing

Prior to the Effective Time, Horizon shall complete the Horizon Financing. The Horizon Financing shall be completed in accordance with Applicable Securities Laws.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE PARTIES

3.01 Representations and Warranties of Horizon

Horizon hereby represents and warrants to Iskander as set forth in this Section 3.01 and hereby acknowledges that Iskander is relying upon such representations and warranties in connection with entering into this Arrangement Agreement and agreeing to complete the Arrangement.

(a) <u>Organization</u>:

(i) Horizon has been duly incorporated or formed under the applicable Laws of its jurisdiction of incorporation or formation, is validly existing and has all necessary corporate power, authority, and capacity to own its property and assets and to carry on its business as currently owned and conducted. Horizon does not hold any equity interest or right to acquire an equity interest in any person.

(ii) Horizon is duly qualified or licensed to do business and is in good standing in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except where the failure to be so qualified, licensed or in good standing has not had or would not have, individually or in the aggregate, a Material Adverse Effect in respect of Horizon.

(b) Capitalization:

(i) The authorized capital of Horizon consists of an unlimited number of Horizon Shares. As at the date of this Agreement, 44,129,654 Horizon Shares are issued and outstanding. As at the date of this Agreement, there are outstanding Horizon Options to acquire an aggregate of up to 4,272,000 Horizon Shares, all of which are or will become exercisable upon the entering into of this Agreement. Except for the Horizon Options referred to in the preceding sentence, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Horizon to issue or sell any Horizon Shares or securities or obligations of any kind convertible into or exchangeable or exercisable for any shares of Horizon.

(ii) Horizon has provided to Iskander, for all of the outstanding Horizon Options as at the date of this Agreement, a true and complete list setting out the name of each holder of a Horizon Option, the number of Horizon Options held by such Person and the exercise price, date of grant and expiry date of each such Horizon Option, as well as a true and complete copy of the Horizon Stock Option Plan.

(iii) All outstanding Horizon Shares and the Horizon Shares to be issued on the exercise of Horizon Options have been duly authorized. The outstanding Horizon Shares are, and the Horizon Shares to be issued on the exercise of Horizon Options will be when issued, validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights.

(iv) There are no outstanding bonds, debentures or other evidences of indebtedness of Horizon having the right to vote (or that are convertible for or exercisable into securities having the right to vote) with the holders of the Horizon Shares on any matter. There are no outstanding obligations of Horizon to repurchase, redeem or otherwise acquire any outstanding Horizon Shares or with respect to the voting or disposition of any outstanding securities of Horizon. No holder of securities issued by Horizon has any right to compel Horizon to register or otherwise qualify securities for public sale in Canada, the United States or elsewhere.

(c) Authority and No Violation:

(i) Horizon has the necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Horizon has been duly authorized by the Horizon Board and no other corporate proceedings on its part are necessary to authorize this Agreement. This Agreement has been duly executed and delivered by Horizon and constitutes a legal, valid and binding obligation of Horizon, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and to general principles of equity.

(ii) The authorization of this Agreement, the execution and delivery by Horizon of this Agreement and the performance by it of its obligations under this Agreement, and the consummation of the Arrangement will not:

A. result (with or without notice or the passage of time) in a violation or breach of or constitute a default under, require an Authorization to be obtained under or give rise to any third party right of termination, amendment, cancellation, acceleration, penalty or payment obligation or right of purchase or sale or pre-emptive or participation right under, any provision of:

(i) its articles, by-laws or other charter documents;

(ii) any applicable Laws, except to the extent that the violation or breach of, under, any applicable Laws, would not, individually or in the aggregate, have a Material Adverse Effect in respect of Horizon;

(iii) any note, bond, mortgage, indenture, instrument, contract, agreement, lease, Authorization, Environmental Approval or government grant to which Horizon is party or by which it is bound, except as would not, individually or in the aggregate, have a Material Adverse Effect in respect of Horizon; or

(iv) any judgment, decree, order or award of any Governmental Entity or arbitrator;

B. give rise to any right of termination, amendment, acceleration or cancellation of indebtedness of Horizon, or cause any such indebtedness to come due before its stated maturity, or cause any available credit of Horizon to cease to be available, or cause any security interest in any assets of Horizon to become enforceable or realizable, except as would not, individually or in the aggregate, have a Material Adverse Effect in respect of Horizon;

C. give rise to any rights of first refusal or trigger any change in control provisions or any restriction or limitation under any such note, bond, mortgage, indenture, contract, agreement, Authorization, Environmental Approval or government grant, except as would not, individually or in the aggregate, have a Material Adverse Effect in respect of Horizon; or

D. result in the imposition of any Encumbrance upon any assets of Horizon, except as would not, individually or in the aggregate, have a Material Adverse Effect in respect of Horizon.

(iii) No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity or other Person is required to be obtained by Horizon in connection with this Agreement and the consummation of the transactions contemplated by the Arrangement and this Agreement other than: (i) the Horizon Shareholder Approval; (ii) any approvals required by the Interim Order and the Final Order; (iii) the approval of the TSXV; (iv) any filings or approvals required under the ABCA or under Applicable Securities Laws; and (v) any other authorizations, consents, approvals and filings with respect to which the failure to obtain or make the same would, or would reasonably be expected to prevent or materially delay consummation of the transactions contemplated by this Agreement.

(d) Public Filings:

Horizon has filed all material documents or information required to be filed by it under Applicable Securities Laws since January 1, 2014 (the "**Horizon Public Documents**"). All of the Horizon Public Documents, as of their respective dates, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. All of the Horizon Public Documents, as of their respective dates (and as of the dates of any amendments thereto), complied as to both form and content in all material respects with the requirements of Applicable Securities Laws or were amended on a timely basis to correct deficiencies identified by securities commissions or similar securities regulatory authorities. All of the Horizon Public Documents are publicly available on SEDAR. Horizon has not filed any confidential material change report with any securities regulatory authority that at the date hereof remains confidential.

(e) Financial Statements:

The audited consolidated financial statements of Horizon (including any related notes thereto) for the fiscal year ended August 31, 2015 and the interim financial statements of Horizon (including any related notes thereto) for the three months ended November 30, 2015 (the "**Horizon Financial Statements**") have been prepared in accordance with IFRS and all applicable Laws and present fairly, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), financial position and results of operations of Horizon as at August 31, 2015 and November 30, 2015, as applicable, and for the periods covered thereby applied on a basis consistent with the immediately prior period and throughout the periods indicated (except as may be indicated expressly in the notes thereto) and, in the case of unaudited statements, subject to normal, recurring period-end adjustments that are not material. The Horizon Financial Statements reflect appropriate and adequate reserves in accordance with IFRS in respect of contingent liabilities, if any, of Horizon.

(f) Liabilities and Indebtedness:

Horizon has no material liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise), except for: (i) liabilities and obligations that are specifically disclosed in the Horizon Financial Statements; or (ii) liabilities and obligations incurred in the ordinary course of business consistent with past practice since August 31, 2014 that will not, individually or in the aggregate with all other liabilities and obligations of Horizon (other than those disclosed in the Horizon Financial Statements), have a Material Adverse Effect in respect of Horizon, or, as a consequence of the consummation of this Agreement, have a Material Adverse Effect in respect of Horizon. Horizon has no material obligation to issue any debt securities, or guarantee, endorse or otherwise become responsible for, the obligations of any other Person.

(g) No Brokers:

Other than in connection with the Horizon Financing, Horizon has not retained any financial advisor, broker, agent or finder, or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement or the Arrangement, any transaction contemplated hereby or any transaction presently ongoing or contemplated.

(h) Transaction Costs:

All transaction costs (including legal, financial and other advisors of Horizon) and any other costs and expenses of Horizon of the transaction contemplated hereby, including the amounts pursuant to Subsection 3.01(o)(vii) shall not exceed $150,000.

(i) Books and Records:

(i) The financial books, records and accounts of Horizon in all material respects:

A. have been maintained in accordance with IFRS;

B. are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of Horizon; and

C. accurately and fairly reflect the basis for the Horizon Financial Statements.

(ii) Horizon's corporate minute books are complete and accurate in all material respects and contain minutes of all meetings and resolutions of the directors and shareholders held.

(iii) Horizon has provided to Iskander, on or before the date hereof, a true and complete copy of the minute books of Horizon (including, without limitation, all meetings of the Horizon Board and all meetings of any committees of Horizon).

(iv) To the knowledge of Horizon, the data and information in respect of Horizon and its assets, reserves, liabilities, business and operations provided by Horizon or its advisors to Iskander or its advisors was and is accurate and correct in all material respects as at the respective dates thereof and, in respect of any information provided or requested, Horizon did not knowingly omit any material data or information necessary to make any data or information provided not misleading as at the respective dates thereof.

(v) To the knowledge of Horizon, Horizon has not withheld from Iskander any material information or documents concerning Horizon or its assets or liabilities during the course of Iskander's review of Horizon and its assets.

(j) Non-Competition Agreements:

Horizon is not a party to or bound by any non-competition agreement or any other agreement or obligation which purports to limit the manner or localities in which all or any material portion of the business of Horizon is or would be conducted.

(k) Absence of Certain Changes or Events:

Since November 30, 2015, and other than for the purposes of the transactions expressly provided for herein:

(i) Horizon has conducted its business only in the ordinary course of business consistent with past practice;

(ii) there has not occurred one or more changes, events or occurrences which would, individually or in the aggregate, be reasonably likely to result in a Material Adverse Effect in respect of Horizon;

(iii) Horizon has not incurred any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) which would, individually or in the aggregate, result in a Material Adverse Effect in respect of Horizon;

(iv) there has not been any incurrence, assumption or guarantee by Horizon of any debt for borrowed money, any creation or assumption by Horizon of any Encumbrance, or any making by Horizon of any loan, advance or capital contribution to or investment in any other Person, which would, individually or in the aggregate, result in a Material Adverse Effect in respect of Horizon; and

(v) Horizon has not effected any change in its accounting methods, principles or practices.

(l) No Default:

Neither Horizon nor, to the knowledge of Horizon, any other party, is in default under, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default or would trigger a right of termination under: (i) any note, bond, mortgage, indenture or other instrument evidencing any indebtedness to which Horizon is a party; or (ii) any other contract, agreement, lease, letter of intent, offer, Authorization, Environmental Approval or government grant or other instrument or obligation, which would individually or in the aggregate, be reasonably expected to have a Material Adverse Effect in respect of Horizon.

(m) Litigation:

(i) There is no claim, action, proceeding or, to the knowledge of Horizon, investigation that has been commenced or is pending or, to the knowledge of Horizon, threatened against Horizon or affecting any of its property or assets before any Governmental Entity which, if determined adversely to Horizon would, individually or in the aggregate:

A. result in Liability to Horizon in excess of $10,000 or have a Material Adverse Effect in respect of Horizon, nor is Horizon aware of any existing ground on which any such claim, action, proceeding or investigation might be commenced;

B. reasonably be expected to result in the suspension or revocation of any Authorization or Environmental Approval; or

C. prevent or materially delay the consummation of the Arrangement.

(ii) On or before the date hereof, neither Horizon nor any of its assets and properties, are subject to any outstanding judgments, orders, writs, injunctions or decrees which would have a Material Adverse Effect in respect of Horizon or to prevent or materially delay the consummation of the Arrangement.

(n) Compliance with Laws:

Horizon has complied with and is not in violation of any applicable Laws, other than non-compliance or violations which would not, individually or in the aggregate, have a Material Adverse Effect with respect to Horizon, or which would not materially impair the ability of Horizon to perform its obligations hereunder or prevent or materially delay the consummation of the Arrangement.

(o) Employment Matters:

(i) Other than previously disclosed to Iskander, no Person is a party to or a participant in any agreement, arrangement, plan, obligation or understanding providing for severance or termination or other payments in connection with the termination of the employment or engagement of, or resignation of, any director, officer or employee of, or independent contractor to, Horizon following a change of control of Horizon (other than statutory severance obligations) and there are no written or oral agreements, arrangements, plans, obligations or understandings providing for severance or termination or other payments in connection with the termination of the employment or engagement of, or resignation of, any director, officer or employee of, or independent contractor to, Horizon or following a change of control of Horizon.

(ii) Other than previously disclosed to Iskander, Horizon is not a party to any employment, engagement or similar agreement with any director or officer of Horizon.

(iii) Other than previously disclosed to Iskander, Horizon has not declared or paid, or committed to declare or pay, any amount to any Person in respect of a performance or incentive or other bonus in respect of all or any part of its fiscal year ended on August 31, 2015 or the three-month period ending on November 30, 2015 or in connection with the completion of the transactions contemplated by the Arrangement and this Agreement.

(iv) Horizon is not subject to any claim for wrongful dismissal, constructive dismissal or any other claim, actual or threatened, or any litigation, actual or threatened, relating to its employees or independent contractors (including, without limitation, any termination of such Persons) other than those claims or such litigation as would individually or in the aggregate not have a Material Adverse Effect in respect of Horizon.

(v) Horizon is not a party to any collective bargaining agreement or subject to any application for certification or threatened or apparent union-organizing campaign and there are no current, pending or threatened strikes, lockouts or other labour disputes or disruptions at Horizon.

(vi) Horizon does not have a pension plan.

(vii) Horizon has no severance obligation to management and employees in connection with the Arrangement.

(viii) Horizon has delivered to each of the other Parties its calculation, in writing, of the estimated aggregate amounts payable by Horizon under any obligations or liabilities of Horizon to pay any amount to its management, employees and directors, other than for salary and directors' fees in the ordinary course, in each case in amounts consistent with historic practices and, without limiting the generality of the foregoing, including the obligations of Horizon to officers and directors for severance, retention, termination, long-term incentive or bonus payments on the change of control of Horizon.

(p) Tax Matters:

Except in each case as would not, individually or in the aggregate, result in a Material Adverse Effect with respect to Horizon:

(i) Horizon has duly and in a timely manner filed all Tax Returns required to be filed by it and all such returns are correct and complete in all material respects and fully disclose the income and expenses as required or permitted by applicable Law. Horizon has paid on a timely basis all Taxes, including, without limitation, instalments, which are due and payable, and has paid all assessments and reassessments, and all other taxes, governmental charges, penalties, interest and fines due and payable by it on or before the date hereof, other than those which are being contested in good faith and in respect of which reserves have been provided in the Horizon Financial Statements. Adequate provision has been made in the Horizon Financial Statements for amounts at least equal to the amount of all Taxes assessed and all Taxes owing by Horizon that are not yet due and payable and that relate to periods ending on or prior to the date of this Agreement, including, without limitation, income taxes and related deferred taxes, in conformity with IFRS and all other applicable accounting rules and principles. On or before the date hereof, no deficiencies exist or have been asserted with respect to Taxes of Horizon and there are no actions, suits, proceedings, investigations or claims outstanding, pending or, to the knowledge of Horizon, threatened against Horizon in respect of Taxes or assessments or re-assessments or any matters under discussion with any Governmental Entity relating to Taxes or assessments or re-assessments asserted by any such authority.

(ii) Horizon is not a party to any Tax sharing agreement, Tax indemnification agreement or other agreement or arrangement relating to Taxes with any Person.

(iii) No Tax Returns of Horizon have been audited by a government or taxing authority nor is any audit in process, pending or threatened. Horizon is not a party to any action or proceeding for the collection of Taxes, nor has such event been threatened against Horizon or any of its assets.

(iv) Horizon has withheld from each payment made to all of its current and former officers, directors and employees, and from each other payment of any nature made to any Person, the amount of all Taxes including, without limitation, income tax and other deductions required to be withheld therefrom and has paid the same to the applicable Governmental Entity within the time required under applicable Law.

(v) Horizon has not requested, or entered into any agreement or other arrangement or executed any waiver providing for, any extension of time within which:

A. to file any elections, designations or similar filings relating to any Taxes for which Horizon is or may be liable;

B. Horizon is required to pay or remit any Taxes or amounts on account of Taxes (other than any Taxes being appealed); or

C. any Governmental Entity may assess or collect any Taxes for which Horizon is or may be liable.

(vi) Horizon has furnished or made available to Iskander complete and accurate copies of all Tax Returns, and any amendments thereto, filed by Horizon for the preceding three taxation years.

(vii) To the knowledge of Horizon, no transaction or arrangement between Horizon and any Person with whom Horizon was not dealing at arm's length, within the meaning of the Tax Act, involving the acquisition, delivery, disposition or provision of property or services or the right to use property or services, has taken place for consideration that is other than the fair market value of such property, services or right to use property or services and each such transaction or arrangement was made on arm's length terms and conditions.

(viii) There are no circumstances existing and no transactions or series of transactions or events has occurred which has resulted or which could result in the application of Sections 78 to 80.04 of Tax Act or any equivalent provincial Tax Law to Horizon.

(ix) Horizon is a "taxable Canadian corporation" for the purposes of the Tax Act.

(q) Insurance:

Horizon maintains or causes to be maintained insurance, naming Horizon as an insured, of the types and in amounts customary and usual for Persons engaged in a business similar to that carried out by Horizon and such policies of insurance remain in full force and effect.

(r) Material Contracts:

(i) Horizon is not party to any contract that is material to its property, assets or operations (the "**Horizon Material Contracts**").

(ii) All Horizon Material Contracts are legal, valid, binding and in full force and effect and are enforceable by Horizon in accordance with their respective terms (subject to bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and to general principles of equity) and are the product of fair and arm's-length negotiations between the parties thereto. Horizon has performed in all material respects all respective obligations required to be performed by it to date under the Horizon Material Contracts and is not, and is not to the knowledge of Horizon alleged to be, (with or without the lapse of time or the giving of notice, or both) in breach or default in any material respect thereunder.

(iii) A true and complete copy of each Horizon Material Contract has been provided by Horizon to Iskander on or before the date hereof.

(s) Related Party Transactions:

Other than: (i) the aggregate amount of $152,010 which is owed to directors of Horizon in connection with the Horizon Share for Debt Transaction; and (ii) the aggregate amount of $60,000 which has been advanced to Horizon by certain directors of Horizon pursuant to promissory notes, Horizon is not indebted to any director, officer, employee or agent of, or independent contractor to, Horizon or any of their respective affiliates or associates (except for amounts due as normal salaries and bonuses and in reimbursement of ordinary expenses). No director, officer, employee or agent of Horizon or any of their respective affiliates or associates is a party to any loan, contract, arrangement or understanding or other transactions with Horizon required to be disclosed pursuant to Applicable Securities Laws and which has not been disclosed.

(t) Authorizations:

Horizon possesses all Authorizations and Environmental Approvals necessary to properly conduct its business. Each Authorization and Environmental Approval obtained by Horizon is in full force and effect and not subject to any dispute. Horizon is in compliance with each of such Authorizations and Environmental Approvals, except for such non-compliance as would not, individually or in the aggregate, have a Material Adverse Effect with respect to Horizon, or would not impair the ability of Horizon to perform its obligations hereunder or prevent or materially delay the consummation of the Arrangement. No event has occurred which, with the giving of notice, lapse of time or both, could constitute a default or violation under, or in respect of, any of such Authorizations or Environmental Approvals.

(u) Environmental:

Except for any matters that, individually or in the aggregate, could not have a Material Adverse Effect in respect of Horizon:

(i) all current and former facilities and operations of Horizon have been conducted, and are now, in material compliance with all material Environmental Laws;

(ii) no environmental, reclamation or closure obligation, demand, notice, work order or other liabilities presently exist with respect to any portion of any currently or formerly owned, leased, used or otherwise controlled property, interests and rights or relating to the operations and business of Horizon and, to the knowledge of Horizon, there is no basis for any such obligations, demands, notices, work orders or liabilities to arise in the future as a result of any activity in respect of such property, interests, rights, operations and business;

(iii) Horizon is not subject to any proceeding, application, order or directive which relates to environmental, health or safety matters, and which may require any material work, repairs, construction or expenditures;

(iv) to the knowledge of Horizon, there are no actual changes in the status, terms or conditions of any Environmental Approvals, consents, waivers, permits, orders and exemptions held by Horizon or any renewal, modification, revocation, reassurance, alteration, transfer or amendment of any such Environmental Approvals, consents, waivers, permits, orders and exemptions, or any review by, or approval of, any Governmental Entity of such Environmental Approvals, consents, waivers, permits, orders and exemptions that are required in connection with the execution or delivery of this Agreement, the consummation of the transactions contemplated herein or the continuation of the business of Horizon following the Effective Time;

(v) Horizon has made available to Iskander all material audits, assessments, investigation reports, studies, plans, regulatory correspondence and similar information with respect to environmental matters, including drafts thereof if the same have not been finalized; and

(vi) Horizon is not subject to any past or present fact, condition or circumstance that could result in any Liability under any Environmental Laws.

(v) Disclosure Controls and Procedures:

Horizon has devised and maintained a system of disclosure controls and procedures designed to ensure that information required to be disclosed by Horizon under Applicable Securities Laws is recorded, processed, summarized and reported within the time periods specified in the Applicable Securities Laws. Such disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by Horizon in the Horizon Public Documents is accumulated and communicated to the management of Horizon, including, without limitation, its principal executive and principal financial officers, or Persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(w) Internal Control Over Financial Reporting:

Horizon maintains internal control over financial reporting. Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS and includes policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of Horizon; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of Horizon are being made only in accordance with authorizations of management and directors of Horizon; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets of Horizon that could have a material effect on the Horizon Financial Statements. To the knowledge of Horizon, prior to the date of this Agreement: (A) there are no significant deficiencies in the design or operation of, or material weaknesses in, the internal controls over financial reporting of Horizon that are reasonably likely to adversely affect the ability of Newco to record, process, summarize and report financial information, and (B) there is no fraud, whether or not material, that involves management or other employees who have a significant role in the internal control over financial reporting of Horizon. Since August 31, 2014, Horizon has received no (x) material complaints from any source regarding accounting, internal accounting controls or auditing matters or (y) expressions of concern from employees of Horizon regarding questionable accounting or auditing matters.

(x) Flow-Through Expenditures:

Horizon has no requirements to incur or renounce any Canadian exploration expense or Canadian development expense, each as defined under the Tax Act, pursuant to any flow-through share agreement.

(y) Working Capital:

As of the date of this Agreement, the aggregate amount of Horizon's Working Capital is estimated to be nil.

(z) Anti-Corruption Practices Legislation:

Horizon has not, directly or indirectly, (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any Governmental Entity in any jurisdiction or any official of any public international organization; or (B) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under, to the extent it applies, the U.S. *Foreign Corrupt Practices Act of 1977*, as amended; the *Corruption of Foreign Public Officials Act* (Canada); or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the rules and regulations promulgated thereunder.

(aa) Stock Exchange Compliance:

Horizon is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of the TSXV.

(bb) Reporting Issuer Status:

As at the date hereof Horizon is a reporting issuer not in default under the Applicable Securities Laws of the Provinces of British Columbia and Alberta.

(cc) U.S. Matters:

(i) Horizon is a "foreign private issuer" within the meaning of Rule 3b-4 under the 1934 Act.

(ii) Horizon has no class of securities that is registered or required to be registered under Section 12 of the 1934 Act, nor is Horizon subject to any reporting obligation under Section 15(d) of the 1933. Horizon has never had a class of securities registered under Section 12 of the 1934 Act.

(iii) Horizon is not an "investment company" within the meaning of U.S. Investment Company Act of 1940, as amended.

(dd) Board Approval:

The directors of Horizon have unanimously approved the combination involving Iskander and Horizon pursuant to the Arrangement and have resolved to unanimously recommend approval of the Horizon Arrangement Resolution by Horizon Shareholders.

3.02 Representations and Warranties of Iskander

Iskander hereby represents and warrants to Horizon as set forth in this Section 3.02 and hereby acknowledges that Horizon is relying upon such representations and warranties in connection with entering into this Arrangement Agreement and agreeing to complete the Arrangement.

(a) Organization:

(i) Iskander has been duly incorporated or formed under the applicable Laws of its jurisdiction of incorporation or formation, is validly existing and has all necessary corporate power, authority, and capacity to own its property and assets and to carry on its business as currently owned and conducted. Iskander does not hold any equity interest or right to acquire any equity interest in any Person.

(ii) Iskander is duly qualified or licensed to do business and is in good standing in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except where the failure to be so qualified, licensed or in good standing has not had or would not have, individually or in the aggregate, a Material Adverse Effect in respect of Iskander.

(b) Capitalization:

(i) The authorized capital of Iskander consists of an unlimited number of Iskander Shares. As at the date of this Agreement, 29,795,036,934 Iskander Shares are issued and outstanding. As at the date of this Agreement, there are outstanding (A) Iskander Options to acquire an aggregate of up to 1,825,000 Iskander Shares, all of which are or will become exercisable upon the entering into of this Agreement, and (B) Iskander Options to acquire an aggregate of up to 112,100,000 Iskander Shares. Except for the Iskander Options referred to in the preceding sentence, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Iskander to issue or sell any Iskander Shares or securities or obligations of any kind convertible into or exchangeable or exercisable for any shares of Iskander.

(ii) Iskander has provided to Horizon, for all of the outstanding Iskander Options as at the date of this Agreement, (A) a true and complete list setting out the name of each holder of an Iskander Option, the number of Iskander Options held by such Person and the exercise price, date of grant and expiry date of each such Iskander Option, as well as a true and complete copy of the Iskander Stock Option Plan.

(iii) All outstanding Iskander Shares and the Iskander Shares to be issued on the exercise of Iskander Options have been duly authorized. The outstanding Iskander Shares are, and the Iskander Shares to be issued on the exercise of Iskander Options will be when issued, validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights.

(iv) There are no outstanding bonds, debentures or other evidences of indebtedness of Iskander having the right to vote (or that are convertible for or exercisable into securities having the right to vote) with the holders of the Iskander Shares on any matter. There are no outstanding obligations of Iskander to repurchase, redeem or otherwise acquire any outstanding Iskander Shares or, other than as contemplated by this Agreement, with respect to the voting or disposition of any outstanding securities of Iskander. No holder of securities issued by Iskander has any right to compel Iskander to register or otherwise qualify securities for public sale in Canada, the United States or elsewhere.

(c) Authority and No Violation:

(i) Iskander has the necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Iskander has been duly authorized by the Iskander Board and no other corporate proceedings on its part are necessary to authorize this Agreement. This Agreement has been duly executed and delivered by Iskander and constitutes a legal, valid and binding obligation of Iskander, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other applicable Laws affecting creditors’ rights generally, and to general principles of equity.

(ii) The authorization of this Agreement, the execution and delivery by Iskander of this Agreement and the performance by it of its obligations under this Agreement, and the consummation of the Arrangement will not:

A. result (with or without notice or the passage of time) in a violation or breach of or constitute a default under, require an Authorization to be obtained under or give rise to any third party right of termination, amendment, cancellation, acceleration, penalty or payment obligation or right of purchase or sale or pre-emptive or participation right under, any provision of:

(i) its articles, by-laws or other charter documents;

(ii) any applicable Laws, except to the extent that the violation or breach of, under, any applicable Laws, would not, individually or in the aggregate, have a Material Adverse Effect in respect of Iskander;

(iii) any note, bond, mortgage, indenture, instrument, contract, agreement, lease, Authorization, Environmental Approval or government grant to which Iskander is party or by which it is bound, except as would not, individually or in the aggregate, have a Material Adverse Effect in respect of Iskander; or

(iv) any judgment, decree, order or award of any Governmental Entity or arbitrator;

B. give rise to any right of termination, amendment, acceleration or cancellation of indebtedness of Iskander, or cause any such indebtedness to come due before its stated maturity, or cause any available credit of Iskander to cease to be available, or cause any security interest in any assets of Iskander to become enforceable or realizable, except as would not, individually or in the aggregate, have a Material Adverse Effect in respect of Iskander;

C. give rise to any rights of first refusal or trigger any change in control provisions or any restriction or limitation under any such note, bond, mortgage, indenture, contract, agreement, Authorization, Environmental Approval or government grant, except as would not, individually or in the aggregate, have a Material Adverse Effect in respect of Iskander; or

D. result in the imposition of any Encumbrance upon any assets of Iskander, except as would not, individually or in the aggregate, have a Material Adverse Effect in respect of Iskander.

(iii) No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity or other Person is required to be obtained by Iskander in connection with this Agreement and the consummation of the transactions contemplated by the Arrangement and this Agreement other than: (i) the Iskander Shareholder Approval; (ii) any approvals required by the Interim Order and the Final Order; (iii) the approval of the TSXV; (iv) any filings or approvals required under the ABCA or under Applicable Securities Laws; and (v) any other authorizations, consents, approvals and filings with respect to which the failure to obtain or make the same would, or would reasonably be expected to prevent or materially delay consummation of the transactions contemplated by this Agreement.

(d) <u>Title</u>:

Although it does not warrant title, Iskander has no reason to believe that Iskander does not have title to the Iskander Rights and Iskander represents and warrants that, to the knowledge of Iskander, the Iskander Rights are free and clear of adverse claims and there are no defects, failures or impairments in the title of

Iskander to the Iskander Rights, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by a third party, which in aggregate could have a Material Adverse Effect on Iskander and, to the knowledge of Iskander, Iskander holds the Iskander Rights under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements, except where the failure to so hold the Iskander Rights would not have a Material Adverse Effect upon Iskander.

(e) Financial Statements:

The audited consolidated financial statements of Iskander (including any related notes thereto) for the fiscal year ended December 31, 2015 (including any related notes thereto) (the "**Iskander Financial Statements**") have been prepared in accordance with IFRS and all applicable Laws and present fairly, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), financial position and results of operations of Iskander on a consolidated basis as at December 31, 2015, and for the periods covered thereby applied on a basis consistent with the immediately prior period and throughout the periods indicated (except as may be indicated expressly in the notes thereto) and, in the case of unaudited statements, subject to normal, recurring period-end adjustments that are not material. The Iskander Financial Statements reflect appropriate and adequate reserves in accordance with IFRS in respect of contingent liabilities, if any, of Iskander on a consolidated basis.

(f) Liabilities and Indebtedness:

Iskander has no material liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise), except for: (i) liabilities and obligations that are specifically disclosed in the Iskander Financial Statements; or (ii) liabilities and obligations incurred in the ordinary course of business consistent with past practice since December 31, 2014 that will not, individually or in the aggregate with all other liabilities and obligations of Iskander (other than those disclosed in the Iskander Financial Statements), have a Material Adverse Effect in respect of Iskander, or, as a consequence of the consummation of this Agreement, have a Material Adverse Effect in respect of Iskander. Iskander has no material obligation to issue any debt securities, or guarantee, endorse or otherwise become responsible for, the obligations of any other Person.

(g) No Brokers:

Iskander has not retained any financial advisor, broker, agent or finder, or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement or the Arrangement, any transaction contemplated hereby or any transaction presently ongoing or contemplated.

(h) Transaction Costs:

All transaction costs (including legal, financial and other advisors of Iskander) and any other costs and expenses of Iskander of the transaction contemplated hereby, including the amounts pursuant to Subsection 3.02(o)(vii), shall not exceed $150,000;

(i) Books and Records:

(i) The financial books, records and accounts of Iskander in all material respects:

A. have been maintained in accordance with IFRS;

B. are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of Iskander; and

C. accurately and fairly reflect the basis for the Iskander Financial Statements.

(ii) Iskander's corporate minute books are complete and accurate in all material respects and contain minutes of all meetings and resolutions of the directors and shareholders held.

(iii) Iskander has provided Horizon, on or before the date hereof, a true and complete copy of the corporate minute books of Iskander (including, without limitation, all meetings of the Iskander Board and all meetings of any committees of Iskander).

(iv) To the knowledge of Iskander, the data and information in respect of Iskander and its assets, reserves, liabilities, business and operations provided by Iskander or its advisors to Horizon or its advisors was and is accurate and correct in all material respects as at the respective dates thereof and, in respect of any information provided or requested, Iskander did not knowingly omit any material data or information necessary to make any data or information provided not misleading as at the respective dates thereof.

(v) To the knowledge of Iskander, Iskander has not withheld from Horizon any material information or documents concerning Iskander or its assets or liabilities during the course of Horizon's review of Iskander and its assets.

(j) Non-Competition Agreements:

Iskander is not a party to or bound by any non-competition agreement or any other agreement or obligation which purports to limit the manner or localities in which all or any material portion of the business of Iskander is or would be conducted.

(k) Absence of Certain Changes or Events:

Since June 30, 2015, and other than for the purposes of the transactions expressly provided for herein:

(i) Iskander has conducted their business only in the ordinary course of business consistent with past practice;

(ii) there has not occurred one or more changes, events or occurrences which would, individually or in the aggregate, be reasonably likely to result in a Material Adverse Effect in respect of Iskander;

(iii) Iskander has not incurred any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) which would, individually or in the aggregate, result in a Material Adverse Effect in respect of Iskander;

(iv) there has not been any incurrence, assumption or guarantee by Iskander of any debt for borrowed money, any creation or assumption by Iskander of any Encumbrance, or any making by Iskander of any loan, advance or capital contribution to or investment in any other Person, which would, individually or in the aggregate, result in a Material Adverse Effect in respect of Iskander; and

(v) Iskander has not effected any change in its accounting methods, principles or practices.

(l) No Default:

Neither Iskander, nor to the knowledge of Iskander, any other party, is in default under, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default or would trigger a right of termination under: (i) any note, bond, mortgage, indenture or other instrument evidencing any indebtedness to which Iskander is a party; or (ii) any other contract, agreement, lease, letter of intent, offer, Authorization, Environmental Approval or government grant or other instrument or obligation, which would individually or in the aggregate, be reasonably expected to have a Material Adverse Effect in respect of Iskander.

(m) Litigation:

(i) There is no claim, action, proceeding or, to the knowledge of Iskander, investigation that has been commenced or is pending or, to the knowledge of Iskander, threatened against Iskander or affecting any of its property or assets before any Governmental Entity which, if determined adversely to Iskander would, individually or in the aggregate:

A. result in Liability to Iskander in excess of $10,000 or have a Material Adverse Effect in respect of Iskander, nor is Iskander aware of any existing ground on which any such claim, action, proceeding or investigation might be commenced;

B. reasonably be expected to result in the suspension or revocation of any Authorization or Environmental Approval; or

C. prevent or materially delay the consummation of the Arrangement.

(ii) On or before the date hereof, neither Iskander nor any of its assets and properties, are subject to any outstanding judgments, orders, writs, injunctions or decrees which would have a Material Adverse Effect in respect of Iskander or to prevent or materially delay the consummation of the Arrangement.

(n) Compliance with Laws:

Iskander has complied with and are not in violation of any applicable Laws, other than non-compliance or violations which would not, individually or in the aggregate, have a Material Adverse Effect with respect to Iskander, or which would not materially impair the ability of Iskander to perform its obligations hereunder or prevent or materially delay the consummation of the Arrangement.

(o) Employment Matters:

(i) Other than Roger McMechan and Jaroslav Kinach, no Person is a party to or a participant in any agreement, arrangement, plan, obligation or understanding providing for severance or termination or other payments in connection with the termination of the employment or engagement of, or resignation of, any director, officer or employee of, or independent contractor to, Iskander following a change of control of Iskander (other than statutory severance obligations) and there are no written or oral agreements, arrangements, plans, obligations or understandings providing for severance or termination or other payments in connection with the termination of the employment or engagement of, or resignation of, any director, officer or employee of, or independent contractor to, Iskander following a change of control of Iskander.

(ii) Other than Roger McMechan and Jaroslav Kinach, Iskander is not a party to any employment, engagement or similar agreement with any director or officer of Iskander.

(iii) Other than Roger McMechan and Jaroslav Kinach, Iskander has not declared or paid, or committed to declare or pay, any amount to any Person in respect of a performance or incentive or other bonus in respect of all or any part of its fiscal year ended on December 31, 2014 or its fiscal year ending on December 31, 2015 or in connection with the completion of the transactions contemplated by the Arrangement and this Agreement.

(iv) Iskander is not subject to any claim for wrongful dismissal, constructive dismissal or any other claim, actual or threatened, or any litigation, actual or threatened, relating to its employees or independent contractors (including, without limitation, any termination of such Persons) other than those claims or such litigation as would individually or in the aggregate not have a Material Adverse Effect in respect of Iskander.

(v) Iskander is not a party to any collective bargaining agreement or subject to any application for certification or threatened or apparent union-organizing campaign and there are no current, pending or threatened strikes, lockouts or other labour disputes or disruptions at Iskander.

(vi) Iskander does not have a pension plan.

(vii) The severance obligation to management and employees of Iskander in connection with the Arrangement as contemplated hereby is a maximum of $90,000.

(viii) Iskander has delivered to each of the other Parties its calculation, in writing, of the estimated aggregate amounts payable by Iskander under any obligations or liabilities of Iskander to pay any amount to its management, employees and directors, other than for salary and directors' fees in the ordinary course, in each case in amounts consistent with historic practices and, without limiting the generality of the foregoing, including the obligations of Iskander to officers and directors for severance, retention, termination, long-term incentive or bonus payments on the change of control of Iskander.

(p) Tax Matters:

Except in each case as would not, individually or in the aggregate, result in a Material Adverse Effect with respect to Iskander:

(i) Iskander has duly and in a timely manner filed all material Tax Returns required to be filed by them and all such returns are correct and complete in all material respects and fully disclose their income and expenses as required or permitted by applicable Law. Iskander has paid on a timely basis all Taxes, including, without limitation, instalments, which are due and payable, and has paid all assessments and reassessments, and all other taxes, governmental charges, penalties, interest and fines due and payable by it on or before the date hereof, other than those which are being contested in good faith and in respect of which reserves have been provided in the Iskander Financial Statements. Adequate provision has been made in the Iskander Financial Statements for amounts at least equal to the amount of all Taxes assessed and all Taxes owing by Iskander that are not yet due and payable and that relate to periods ending on or prior to the date of this Agreement, including, without limitation, income taxes and related deferred taxes, in conformity with IFRS and all other applicable accounting rules and principles. On or before the date hereof, no deficiencies exist or have been asserted with respect to Taxes of Iskander and there are no actions, suits, proceedings, investigations or claims outstanding, pending or, to the knowledge of Iskander, threatened against Iskander in respect of Taxes or assessments or any matters under discussion with any Governmental Entity relating to Taxes or assessments asserted by any such authority.

(ii) Iskander is not a party to any material Tax sharing agreement, Tax indemnification agreement or other agreement or arrangement relating to Taxes with any Person.

(iii) Iskander has withheld from each payment made to all of their current and former officers, directors and employees, and from each other payment of any nature made to any Person, the amount of all Taxes including, without limitation, income tax and other deductions required to be withheld therefrom and have paid the same to the applicable Governmental Entity within the time required under applicable Law.

(iv) Iskander has not requested, or entered into any agreement or other arrangement or executed any waiver providing for, any extension of time within which:

A. to file any elections, designations or similar filings relating to any Taxes for which Iskander is or may be liable;

B. Iskander is required to pay or remit any Taxes or amounts on account of Taxes (other than any Taxes being appealed); or

C. any Governmental Entity may assess or collect any Taxes for which Iskander is or may be liable.

(v) Iskander has furnished or made available to Horizon complete and accurate copies of all material Tax Returns, and any amendments thereto, filed by Iskander for the preceding three taxation years.

(vi) To the knowledge of Iskander, no transaction or arrangement between Iskander and any Person with whom Iskander was not dealing at arm's length, within the meaning of the Tax Act, involving the acquisition, delivery, disposition or provision of property or services or the right to use property or services, has taken place for consideration that is other than the fair market value of such property, services or right to use property or services and each such transaction or arrangement was made on arm's length terms and conditions.

(vii) There are no circumstances existing and no transactions or series of transactions or events has occurred which has resulted or which could result in the application of Sections 78 to 80.04 of the Tax Act or any equivalent provincial Tax Law to Iskander.

(q) Insurance:

Iskander maintains or causes to be maintained insurance, naming Iskander as an insured, of the types and in amounts customary and usual for Persons engaged in a business similar to that carried out by Iskander and all such policies of insurance remain in full force and effect.

(r) Material Contracts:

(i) Iskander is not party to any contract that is material to its properties, assets or operations (the "**Iskander Material Contracts**").

(ii) All Iskander Material Contracts are legal, valid, binding and in full force and effect and are enforceable by Iskander in accordance with their respective terms (subject to bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and to general principles of equity) and are the product of fair and arm's-length negotiations between the parties thereto. Iskander has performed in all material respects all respective obligations required to be performed by them to date under the Iskander Material Contracts and are not, and are not to the knowledge of Iskander alleged to be, (with or without the lapse of time or the giving of notice, or both) in breach or default in any material respect thereunder.

(iii) A true and complete copy of each Iskander Material Contract has been provided by Iskander to Horizon on or before the date hereof.

(s) Related Party Transactions:

Iskander is not indebted to any director, officer, employee or agent of, or independent contractor to, Iskander, or any of its respective affiliates or associates (except for amounts due as normal salaries and bonuses and in reimbursement of ordinary expenses). Other than previously disclosed to Horizon, on or before the date hereof, no director, officer, employee or agent of Iskander, or any of its affiliates or associates is a party to any loan, contract, arrangement or understanding or other transactions with Iskander, required to be disclosed pursuant to Applicable Securities Laws and which has not been disclosed.

(t) Property and Rights; Operations:

(i) With respect to the Iskander Properties and the Iskander Rights, except where it would not have a Material Adverse Effect in respect of Iskander:

A. Iskander is the sole legal and beneficial owners of all right, title and interest in and to the Iskander Properties and the Iskander Rights, free and clear of any Encumbrances;

B. the Iskander Properties and the Iskander Rights are in good standing under applicable Law and, to the knowledge of Iskander, all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, rentals, fees, expenditures and other payments in respect thereof have been paid as incurred and all filings in respect thereof have been made;

C. there is no adverse claim against or challenge to the title to or ownership of the Iskander Properties or any of the Iskander Rights;

D. Iskander has the exclusive right to deal with the Iskander Properties and all of the Iskander Rights;

E. no Person other than Iskander has any interest in the Iskander Properties or any of the Iskander Rights or the production or profits therefrom or any royalty in respect thereof or any right to acquire any such interest;

F. there are no back-in rights, earn-in rights, rights of first refusal or similar provisions or rights which would affect Iskander's interest in the Iskander Properties or any of the Iskander Rights;

G. other than rights of first refusal on the Iskander Properties located in Bulgaria, there are no material restrictions on the ability of Iskander to use, transfer or exploit the Iskander Properties or any of the Iskander Rights, except pursuant to applicable Laws;

H. Iskander has not received any notice, whether written or oral, from any Governmental Entity of any suspension or revocation or intention to suspend or revoke any interest of Iskander in any of the Iskander Properties or any of the Iskander Rights or to place a moratorium on the development of the Iskander Properties or the Iskander Rights or to expropriate the Iskander Properties or the Iskander Rights; and

I. other than previously disclosed to Horizon, Iskander has all surface rights, including, without limitation, fee simple estates, leases, easements, rights of way and permits or licences operations from landowners or Governmental Entities permitting the use of land by Iskander, and interests that are required to exploit the development potential of the Iskander Properties and the Iskander Rights and no third party or group holds any such rights that would be required by Iskander to develop the Iskander Properties or any of the Iskander Rights.

(u) Authorizations:

Iskander possesses all Authorizations and Environmental Approvals necessary to properly conduct its business. Each Authorization and Environmental Approval obtained by Iskander are in full force and effect and are not subject to any dispute. Iskander is in compliance with each of such Authorizations and Environmental Approvals, except for such non-compliance as would not, individually or in the aggregate, have a Material Adverse Effect with respect to Iskander, or would not impair the ability of Iskander to perform its obligations hereunder or prevent or materially delay the consummation of the Arrangement. No event has occurred which, with the giving of notice, lapse of time or both, could constitute a default or violation under, or in respect of, any of such Authorizations or Environmental Approvals.

(v) Environmental:

Except for any matters that, individually or in the aggregate, could not have a Material Adverse Effect in respect of Iskander:

(i) all current and former facilities and operations of Iskander have been conducted, and are now, in material compliance with all material Environmental Laws;

(ii) Iskander is in possession of, and in compliance with, all Environmental Approvals, consents, waivers, permits, orders and exemptions required to own, lease and operate the Iskander Properties and Iskander Rights and to conduct their business as it is now being conducted;

(iii) no environmental, reclamation or closure obligation, demand, notice, work order or other liabilities presently exist with respect to any portion of any currently or formerly owned, leased, used or otherwise controlled property, interests and rights or relating to the operations and business of Iskander and, to the knowledge of Iskander, there is no basis for any such obligations, demands, notices, work orders or liabilities to arise in the future as a result of any activity in respect of such property, interests, rights, operations and business;

(iv) Iskander is not subject to any proceeding, application, order or directive which relates to environmental, health or safety matters, and which may require any material work, repairs, construction or expenditures;

(v) to the knowledge of Iskander, there are no actual changes in the status, terms or conditions of any Environmental Approvals, consents, waivers, permits, orders and exemptions held by Iskander or any renewal, modification, revocation, reassurance, alteration, transfer or amendment of any such Environmental Approvals, consents, waivers, permits, orders and exemptions, or any review by, or approval of, any Governmental Entity of such Environmental Approvals, consents, waivers, permits, orders and exemptions that are required in connection with the execution or delivery of this Agreement, the consummation of the transactions contemplated herein or the continuation of the business of Iskander following the Effective Time;

(vi) Iskander has made available to Horizon all material audits, assessments, investigation reports, studies, plans, regulatory correspondence and similar information with respect to environmental matters, including drafts thereof if the same have not been finalized; and

(vii) Iskander is not subject to any past or present fact, condition or circumstance that could result in any Liability under any Environmental Laws.

(w) Flow-Through Expenditures:

Iskander has no requirements to incur or renounce any Canadian exploration expense or Canadian development expense, each as defined under the Tax Act, pursuant to any flow-through share agreement.

(x) Working Capital:

As of the date of this Agreement, the aggregate amount of Iskander's Working Capital is estimated to be $50,000.

(y) Anti-Corruption Practices Legislation:

Iskander has not, directly or indirectly, (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any Governmental Entity in any jurisdiction or any official of any public international organization; or (B) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under, to the extent it applies, the U.S. *Foreign Corrupt Practices Act of 1977*, as amended, the *Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the rules and regulations promulgated thereunder.

(z) Board Approval:

The directors of Iskander have unanimously approved the combination involving Iskander and Horizon pursuant to the Arrangement and have resolved to unanimously recommend approval of the Iskander Arrangement Resolution by Iskander Shareholders.

ARTICLE 4
COVENANTS

4.01 Covenants of the Parties

Subject to the terms of this Arrangement Agreement, each of the Parties hereby covenants and agrees as follows:

(a) Interim Order. As soon as reasonably practicable, and in any event no later than May 10, 2016, the Parties shall file, proceed with and diligently prosecute an application to the Court for the Interim Order in accordance with Subsection 2.02(a), and in such a manner as to preserve for Newco the availability of the exemption from the registration requirement provided by Subsection 3(a)(10) of the 1933 Act.

(b) The Meetings. The Parties shall:

(i) forthwith carry out such terms of the Interim Order as are required under the terms thereof to be carried out by the Parties;

(ii) collaboratively, prepare and file the Joint Circular (which shall be in a form satisfactory to each of the Parties and their respective legal counsel acting reasonably), together with any other documents required by applicable Laws, in all jurisdictions where the Joint Circular is required to be filed and mail the Joint Circular, as ordered by the Interim Order and in accordance with all applicable Laws, in and to all jurisdictions where the Joint Circular is required to be mailed, complying in all material respects with all applicable Laws on the date of the mailing thereof and in the form and containing the information required by all applicable Laws and not containing any misrepresentation (as defined under Applicable Securities Laws) with respect thereto;

(iii) the Joint Circular must include: (i) a statement that the (A) Horizon Board has unanimously determined that the Arrangement is in the best interests of Horizon and unanimously recommends that Horizon Shareholders vote in favour of the Horizon Arrangement Resolution and a statement that each director and officer of Horizon intends to vote all of such person’s Horizon Shares (including any Horizon Shares issued upon the exercise of Horizon Options) in favour of the Horizon Arrangement Resolution, subject to the terms of this Agreement and the Horizon Lock-Up Agreements; and (B) Iskander Board has unanimously determined that the Arrangement is in the best interests of Iskander and unanimously recommends that Iskander Shareholders vote in favour of the Iskander Arrangement Resolution and a statement that each director and officer of Iskander intends to vote all of such person’s Iskander Shares (including any Iskander Shares issued upon the exercise of Iskander Options) in favour of the Iskander Arrangement Resolution, subject to the terms of this Agreement and the Iskander Lock-Up Agreements;

(iv) Subject to compliance by the directors and officers of Horizon with their fiduciary duties and the terms of this Agreement Horizon shall:

A. (I) take all commercially reasonable lawful action to solicit proxies in favour of the Horizon Arrangement Resolution; (II) recommend to all Horizon Shareholders that they vote in favour of the Horizon Arrangement Resolution, with a unanimous recommendation of the Horizon Board to vote in favour of the Horizon Arrangement Resolution; (III) not, prior to obtaining the Horizon Shareholder Approval, (a) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to the Parties, or fail to reaffirm its recommendation of, the Arrangement within five Business Days (and in any case prior to the Horizon Meeting) after having been requested in writing by any of the Parties to do so, in a manner adverse to the Parties, the approval or recommendation of the Horizon Board, or any committee thereof, of this Agreement or the Arrangement; or (b) approve, recommend or remain neutral with respect to, or propose publicly to approve, recommend or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal until five calendar days following receipt of such Acquisition Proposal shall not be considered an adverse modification), (a "**Change in Horizon Recommendation**") except as expressly permitted by Section 6.02 and Section 6.03 hereof;

B. convene and conduct the Horizon Meeting in accordance with the Interim Order, Horizon's articles, by-laws and applicable Laws as soon as reasonably practicable and in any event no later than June 30, 2016. Horizon shall use its commercially reasonable efforts to schedule the Horizon Meeting on the same day as the Iskander Meeting;

C. provide notice to Iskander of the Horizon Meeting and all steps in the application before the Court and allow representatives of Iskander to attend the Horizon Meeting;

(v) Subject to compliance by the directors and officers of Iskander with their fiduciary duties and the terms of this Agreement Iskander shall:

A. (I) take all commercially reasonable lawful action to solicit proxies in favour of the Iskander Arrangement Resolution; (II) recommend to all Iskander Shareholders that they vote in favour of the Iskander Iskander Arrangement Resolution, with a unanimous recommendation of the Iskander Board to vote in favour of the Iskander Arrangement Resolution; (III) not, prior to obtaining the Iskander Shareholder Approval, (a) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to the other Parties, or fail to reaffirm its recommendation of, the Arrangement within five Business Days (and in any case prior to the Iskander Meeting) after having been requested in writing by any of the other Parties to do so, in a manner adverse to any of the other Parties, the approval or recommendation of the Iskander Board, or any committee thereof, of this Agreement or the Arrangement; or (b) approve, recommend or remain neutral with respect to, or propose publicly to approve, recommend or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal until five calendar days following the receipt of such Acquisition Proposal shall not be considered an adverse modification); (a "**Change in Iskander Recommendation**") except as expressly permitted by Section 6.02 and Section 6.03 hereof;

B. convene and conduct the Iskander Meeting in accordance with the Interim Order, Iskander's articles, by-laws and applicable Laws as soon as reasonably practicable and in any event no later than June 30, 2016. Iskander shall use its commercially reasonable efforts to schedule the Iskander Meeting on the same day as the Horizon Meeting;

C. provide notice to Horizon of the Iskander Meeting and all steps in the application before the Court and allow representatives of Horizon to attend the Iskander Meeting;

(vi) take all such actions as may be required under the ABCA in connection with the transactions contemplated by this Arrangement Agreement and the Plan of Arrangement.

(c) <u>Status of Voting</u>. The Parties will each use their commercially reasonable efforts to advise the other Parties, at least on a daily basis on each of the ten Business Days prior to the date of the Meetings, as to the aggregate tally of the proxies received by each Party in respect of the Arrangement Resolutions.

(d) <u>Information for Joint Circular</u>. In a timely manner, the Parties shall each provide to the other Parties all information as may be reasonably requested by any Party or as required by applicable Laws with respect to the Parties and their respective businesses and properties for inclusion in the Joint Circular or in any amendment or supplement to the Joint Circular that complies in all material respects with all applicable Laws on the date of the mailing thereof and containing all material facts relating to each Party required to be disclosed in the Joint Circular and not containing any misrepresentation (as defined under applicable securities legislation) with respect thereto. Each Party (the "**Subject Party**") shall indemnify and save harmless the other Parties (the "**Other Parties**") and the directors, officers and agents of the Other Parties from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which such Other Parties, or any director, officer or agent thereof, may be subject or which such Other Parties, or any director, officer or agent thereof, may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:

(i) any misrepresentation or alleged misrepresentation in the Subject Party's Circular Information or in any material filed by the Subject Party in compliance or intended compliance with any applicable Laws;

(ii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the Subject Party's Circular Information or in any material filed by or on behalf of the Subject Party in compliance or intended compliance with Applicable Securities Laws, which prevents or restricts the trading in the securities of the Subject Party; or

(iii) the Subject Party not complying with any requirement of applicable Laws in connection with the transactions contemplated in this Agreement,

except that the Subject Party shall not be liable in any such case to the extent that any such liabilities, claims, demands, losses, costs, damages and expenses arise out of or are based upon any misrepresentation or alleged misrepresentation of a material fact based solely on the Circular Information of one or both of the Other Parties included in the Joint Circular.

(e) Adjournment. Subject to the terms of this Arrangement Agreement, no Party shall adjourn, postpone or cancel its respective Meeting (or propose to do so), except (i) if quorum is not present at the applicable Meeting; (ii) if required by applicable Laws or a ruling order or decree of a court having jurisdiction, Governmental Entity or other regulatory authority; or (iii) if otherwise agreed with all Parties.

(f) Dissent Rights. Iskander shall provide Horizon with a copy of any purported exercise of the Iskander Dissent Rights and written communications with any Iskander Shareholder purportedly exercising such Iskander Dissent Rights and Horizon shall provide Iskander with a copy of any purported exercise of the Horizon Dissent Rights and written communications with any Horizon Shareholder purportedly exercising such Horizon Dissent Rights and the Parties shall not settle or compromise any action brought by any present, former or purported holder of any of their securities in connection with the transactions contemplated by this Arrangement Agreement, including the Arrangement, without the prior consent of all Parties.

(g) Amendments to Joint Circular. In a timely and expeditious manner, the Parties shall collaboratively prepare and file any mutually agreed (or as otherwise required by applicable Laws) amendments or supplements to the Joint Circular (which amendments or supplements shall be in a form acceptable to the Parties, acting reasonably) with respect to each of the Meetings and mail such amendments or supplements, as required by the Interim Order and in accordance with all applicable Laws, in and to all jurisdictions where such amendments or supplements are required to be mailed, complying in all material respects with all applicable Laws on the date of the mailing thereof.

(h) Final Order. Subject to the approval of the Arrangement Resolutions in accordance with the provisions of the Interim Order, the Parties shall forthwith file, proceed with and diligently prosecute an application for the Final Order, which application shall be in form and substance satisfactory to the Parties, acting reasonably.

(i) Compliance with Orders. The Parties shall forthwith carry out the terms of the Interim Order and the Final Order.

(j) Copy of Documents. The Parties shall each furnish promptly to each other Party a copy of each notice, report, schedule or other document or communication delivered, filed or received by any Party in connection with this Arrangement Agreement, the Arrangement, the Interim Order, the Final Order, the Meetings or any other meeting at which all Shareholders are entitled to attend relating to special business, any filings made under any applicable Laws and any dealings or communications with any Governmental Entity, Securities Authority or stock exchange in connection with, or in any way affecting, the transactions contemplated by this Arrangement Agreement.

(k) Usual Business. Except as contemplated herein, the Parties shall each, conduct their respective businesses in the ordinary course consistent with past practice in all material respects and to use commercially reasonable efforts to preserve intact their respective present business organization and goodwill, to keep available the services of its respective officers and employees as a group and to maintain satisfactory relationships with suppliers, distributors, employees and others having business relationships with them.

(l) Third Party Consents. The Parties shall, prior to the Effective Time, use commercially reasonable efforts to obtain all required consents and any other approvals, orders and authorizations of all third parties (including Governmental Entities) that are reasonably required in connection with the completion of the transactions hereunder.

(m) Notification of Material Changes. The Parties shall immediately, first orally and then promptly in writing, notify each of the other Parties of any material change (within the meaning of Applicable Securities Laws) in relation to any such Party and of any material governmental or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated).

(n) Inconsistent Transactions. None of the other Parties shall enter into any transaction or perform any act which might interfere with or be materially inconsistent with the successful completion of the Arrangement or which would render, or which may reasonably be expected to render, untrue or inaccurate (without giving effect to, applying or taking into consideration any materiality or Material Adverse Effect qualification already contained within such representation or warranty) in any material respect any of the Parties' representations and warranties set forth in this Agreement.

(o) Certain Actions Prohibited. Except in connection with the Arrangement or as expressly provided herein, none of the Parties shall, without the prior written consent of all Parties, which consent shall not be unreasonably withheld, conditioned or delayed, directly or indirectly do or permit to occur any of the following:

(i) split, consolidate or reclassify any of the outstanding Iskander Shares or Horizon Shares nor undertake any other capital reorganization, nor declare, set aside or pay any dividends on or make any other distributions on or in respect of any outstanding Iskander Shares or Horizon Shares nor reduce stated capital in respect of any outstanding Iskander Shares or Horizon Shares;

(ii) amend their articles or by-laws or the terms of any of their respective outstanding securities, including, without limitation, any outstanding indebtedness and credit facilities;

(iii) issue or sell or agree to issue or sell any securities (other than the issuance of (A) Iskander Shares upon the exercise of currently outstanding Iskander Options and Iskander Warrants, (B) Horizon Shares upon the exercise of currently outstanding Horizon Options, in each case in accordance with their respective terms; (C) Horizon Shares in connection with the Horizon Financing; and (D) Horizon Shares in connection with the Horizon Shares for Debt Transaction), or redeem, offer to purchase or purchase any of their respective outstanding securities except for the surrender and cancellation of the Horizon Options and the Iskander Options as contemplated under this Agreement;

(iv) authorize, approve, agree to issue, issue or award any Iskander Options or Horizon Options;

(v) enter into, create, declare, adopt, amend, vary, modify or take any other action with respect to any bonus, target bonus, profit sharing, incentive, salary or other compensation, equity based award, pension, retirement, deferred compensation, severance, change in control, employment or other employee benefit plan, agreement, trust fund, award or arrangement for the benefit or welfare of any officer, director, consultant or employee, or similar rights or other benefits;

(vi) acquire or dispose of any securities;

(vii) except as required to preserve or protect the safety of individuals or property pursuant to a Party's health, safety and environment protocols, commit to any single expense having a value in excess of $25,000;

(viii) acquire or commit to acquire any capital assets or group of related capital assets (through one or more related or unrelated acquisitions) having a value in excess of $25,000 in the aggregate;

(ix) except as required to preserve or protect the safety of individuals or property pursuant to a Party's health, safety and environment protocols incur, or commit to, operating expenditures or capital expenditures in excess of $25,000 in the aggregate;

(x) sell, lease, option, encumber or otherwise dispose of, or commit to sell, lease, option, encumber or otherwise dispose of, any assets or group of related assets (through one or more related or unrelated transactions) having a value in excess of $25,000 in the aggregate;

(xi) approve any plan and budget or any amendment thereof;

(xii) approve the grant of any power of attorney to allow any Person to take any action on behalf of any of the Parties or the amendment of any power of attorney allowing any Person to take any action on behalf of any of the Parties other than in the ordinary course of business consistent with past practice;

(xiii) enter into any contract with a term of more than 12 months or contemplating payments in excess of $25,000;

(xiv) (A) incur or commit to incur any indebtedness for borrowed money (except for indebtedness not to exceed $25,000 in the aggregate for working capital purposes) or issue any debt securities, (B) incur or commit to incur, or guarantee, endorse or otherwise become responsible for, any other material Liability, obligation or indemnity or the obligation of any other Person, or (C) make any loans or advances to any Person;

(xv) make any changes to existing accounting policies other than as required by applicable Laws, Applicable Securities Laws or by IFRS;

(xvi) pay, discharge or satisfy any claims, liabilities or obligations other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice in accordance with their terms, of liabilities reflected or reserved against in each of the Iskander Financial Statements or Horizon Financial Statements, as applicable;

(xvii) engage in any transaction with any related parties;

(xviii) other than as provided for in Section 2.10 and the Plan of Arrangement, commit to or enter into any new arrangements, or modify any existing arrangements, between any of the Parties and any shareholder or holder of convertible securities of the Parties owning or controlling more than 1% of the outstanding Iskander Shares or Horizon Shares as applicable;

(xix) commence or settle or assign any rights relating to or any interest in any litigation, proceeding, claim, action, assessment or investigation involving any of the Parties or any of their respective material assets;

(xx) waive, release, grant, transfer, exercise, modify or amend in any material respect, other than in the ordinary course of business consistent with past practice, (A) any material Authorization (as hereinafter defined), lease, concession, contract or other document, or (B) any other material legal rights or claims;

(xxi) enter into any interest rate, currency, equity or commodity swaps, hedges, derivatives or other similar financial instruments;

(xxii) cause their respective current insurance and re-insurance policies within their control or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums that are currently in full force and effect;

(xxiii) increase any coverage or premiums under any directors' and officers' insurance policy or enter into any new policy;

(xxiv) acquire or agree to acquire (by merger, amalgamation, arrangement, acquisition of stock or assets or otherwise) any Person or division of any Person or make any investment either by purchase of shares or securities, contributions of capital, property transfer or purchase of any property or assets of any other Person;

(xxv) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of any of the Parties;

(xxvi) fail to duly and timely file all material forms, reports, schedules, statements and other documents required to be filed pursuant to any applicable Laws or Applicable Securities Laws;

(xxvii) (A) fail to duly and timely file all material Tax Returns required to be filed by each of them on or after the date hereof and all such Tax Returns will be true, complete and correct in all material respects; (B) fail to timely withhold, collect, remit and pay all material Taxes which are to be withheld, collected, remitted or paid by each of them to the extent due and payable except for any Taxes contested in good faith pursuant to applicable Laws that are not required to be paid under applicable Laws and for which adequate provision is made in the relevant financial statements; (C) make or rescind any material election relating to Taxes; (D) make a request for a Tax ruling, enter into a closing agreement with any taxing authorities or waive extending the period for assessment or allocation of Taxes; (E) settle or compromise any material claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes; and (F) change in any material respect any of its methods of reporting income, deductions or accounting for income tax purposes from those employed in the preparation of its Tax Return for the tax year ending August 31, 2014, in the case of Horizon and December 31, 2014 in the case of Iskander, except as may be required by applicable Laws;

(xxviii) announce an intention, enter into any formal or informal agreement, or otherwise make a commitment to do any of the things prohibited by any of the foregoing subsections.

(p) <u>Employment Arrangements</u>. Except as disclosed to the other Parties prior to the date of this Agreement or as otherwise disclosed herein, each Party shall not, without the prior written consent of the other Parties, such consent not to be unreasonably withheld, enter into or modify any employment, consulting, severance, collective bargaining or similar agreement, policy or arrangement with, or grant any bonus, salary increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer, director, employee or consultant of any Party.

(q) <u>Certain Actions</u>. The Parties shall:

(i) not take any action or permit any action to be taken or not taken by each Party, inconsistent with the provisions of this Arrangement Agreement or which would reasonably be expected to materially impede the completion of the transactions contemplated hereby;

(ii) promptly notify all Parties of (A) any Material Adverse Change or Material Adverse Effect, or any change, event, occurrence or effect that could reasonably be expected to become a Material Adverse Change or to have a Material Adverse Effect, in respect of the business or in the conduct of the business of the Parties, respectively, (B) any Governmental Entity or third Person making a complaint, investigation or hearing (or communications indicating that the same may be contemplated) with respect to the transactions contemplated by this Arrangement Agreement, (C) any breach by any of the Parties of any covenant or agreement contained in this Arrangement Agreement, (D) any event occurring subsequent to the date hereof that would render any representation or warranty of any Party contained in this Arrangement Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate such that the condition set forth in Subsection 5.02(a) would not be satisfied, (E) becoming aware that: (i) the Joint Circular contains a misrepresentation, or otherwise requires amendment or supplement; (ii) any litigation that is threatened or commenced which could adversely affect or delay the Arrangement; or (iii) any communication by a third party alleging their consent or approval is required for the Arrangement.

(r) No Compromise. The Parties shall not, and shall cause the their respective Subsidiaries not to, as applicable, settle or compromise any claim brought by any present, former or purported holder of any securities of the Parties in connection with the transactions contemplated by this Arrangement Agreement prior to the Effective Time without the prior written consent of the Parties, which consent shall not be unreasonably withheld, conditioned or delayed.

(s) Satisfaction of Conditions. Subject to the terms of this Arrangement Agreement, each Party shall use all commercially reasonable efforts to satisfy, or cause to be satisfied, all conditions precedent to its obligations to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Arrangement Agreement, including using its commercially reasonable efforts to:

(i) obtain the approval of the Horizon Shareholders and the Iskander Shareholders, to the Arrangement in accordance with applicable Laws, the Interim Order and the requirements of any applicable regulatory authority;

(ii) obtain all other consents, approvals and authorizations as are required to be obtained by the Parties under any applicable Law or from any Governmental Entity that would, if not obtained, materially impede the completion of the transactions contemplated by this Arrangement Agreement or have a Material Adverse Effect on any of the Parties;

(iii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the transactions contemplated by this Arrangement Agreement;

(iv) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Arrangement Agreement, the transactions contemplated hereby or seeking to stop, or otherwise adversely affecting the ability of the parties hereto to consummate, the transactions contemplated hereby; and

(v) fulfill all conditions and satisfy all provisions of this Arrangement Agreement and the Plan of Arrangement required to be fulfilled or satisfied by the Parties.

(t) Cooperation. The Parties shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws, including any filings, reports, documents or applications as may be required to be filed by Newco.

(u) Access and Confirmatory Review. Upon reasonable notice, each Party agrees to provide the other Parties and its representatives with reasonable access (without disruption to the conduct of the respective Party's business) during normal business hours to all books, records, information, corporate charts, tax documents and files in its possession and control and access to the personnel of the respective Party on as reasonably requested basis as well as reasonable access to the Iskander Properties in order to allow the Parties to conduct such investigations as the Parties may consider necessary or advisable for strategic planning and integration, reorganization and for any other reasons reasonably relating to the Arrangement. Nothing in the foregoing shall require the Parties to disclose information that it is prohibited from disclosing pursuant to a written confidentiality agreement or confidentiality provision of an agreement with a third party or to provide the Parties with access to any property where the Party is contractually or legally prohibited from doing so. Any such investigation by a Party and its representatives shall not mitigate, diminish or affect the representations and warranties of the Parties contained in this Agreement or any document or certificate given pursuant hereto.

(v) Closing Documents. The Parties shall execute and deliver, or cause to be executed and delivered, at the closing of the transactions contemplated hereby such customary agreements, certificates, resolutions, opinions and other closing documents as may be required by the Parties, all in form satisfactory to the Parties, acting reasonably.

(w) Lock-Up Agreements. The Parties shall use their commercially reasonable efforts to enforce their respective rights under the Lock-Up Agreements and the Parties shall not waive, release or otherwise forbear in the enforcement of any rights of the Parties under the Lock-Up Agreements.

4.02 Pre-Arrangement Reorganizations

(a) Subject to Subsection 4.02(c), each of the Parties acknowledges and agrees that, in contemplation of the Arrangement, it shall, and shall cause each of the Subsidiaries to, cooperate with each other Party in structuring, planning and implementing any reorganization, if any, of the business, operations and assets of a Party and such Party's Subsidiaries prior to the Effective Time (each, a "**Pre-Arrangement Reorganization**") in order to improve the Tax efficiencies of the proposed transactions for the Parties and the integration of the business, operations and assets of Horizon and Iskander.

(b) Each of the Parties acknowledges and agrees that the planning for and implementation of any Pre-Arrangement Reorganization pursuant to

Subsection 4.02(a) shall not be considered a breach of any covenant under this Agreement and shall not be considered in determining whether a representation or warranty of a Party hereunder has been breached. Subject to Subsections 4.02(c) and 4.02(d), the Parties shall work cooperatively and use commercially reasonable efforts to prepare prior to the Effective Time all documentation necessary and do such other acts and things as are necessary to give effect to such Pre-Arrangement Reorganization pursuant to Subsection 4.02(a).

(c) A Party will not be obligated to participate in any Pre-Arrangement Reorganization under Subsection 4.02(a) unless such Pre-Arrangement Reorganization:

(i) shall not become effective unless the Party or Parties proposing the Pre-Arrangement Reorganization, has or have waived or confirmed in writing the satisfaction of all conditions in such Party or Parties favour under Article 5 and such Party or Parties have confirmed in writing that it or they are prepared to promptly and without condition (other than compliance with this section 4.02(c)(i)) proceed to effect the Arrangement;

(ii) is not prejudicial to the Party or Parties (in each case on a consolidated basis) who have not proposed the Pre-Arrangement Reorganization or the securityholders of each such Party, as a whole, in any material respect; and

(iii) does not impair the ability of any Party to consummate, and will not materially delay the consummation of, the Arrangement.

(d) A Party shall provide written notice to the other Parties of any proposed Pre-Arrangement Reorganization at least ten Business Days prior to the Effective Date.

(e) Each Party agrees that it will be responsible for all costs and expenses associated with any Pre-Arrangement Reorganization to be carried out at its request (including any reasonable costs or expenses incurred by the other Party or Parties or the Subsidiaries of a Party as a result of a Pre-Arrangement Reorganization completed in circumstances where the Arrangement is not consummated).

ARTICLE 5
CONDITIONS

5.01 Mutual Conditions

The respective obligations of the Parties to complete the transactions contemplated herein are subject to the fulfillment of the following conditions at or before the Effective Time or such other time as is specified below:

(a) the Interim Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to the Parties, acting reasonably, on appeal or otherwise;

(b) (i) the Iskander Shareholder Approval shall have been obtained at the Iskander Meeting by the Iskander Shareholders; and (ii) the Horizon Shareholder Approval shall have been obtained by the Horizon Shareholders, in each case, in accordance with applicable Laws and the Interim Order;

(c) the Final Order shall have been obtained in form and substance satisfactory to each of the Parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to the Parties, acting reasonably, on appeal or otherwise;

(d) there shall not be in force any Law, or final, binding, non-appealable ruling, order or decree, and there shall not have been any action taken under any Law or by any Governmental Entity or other regulatory authority, that is final, binding or non-appealable that makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the consummation of the Arrangement in accordance with the terms hereof;

(e) the distribution of the Arrangement Consideration pursuant to the Arrangement shall be exempt from the prospectus and registration requirements of Applicable Securities Laws either by virtue of exemptive relief from the Securities Authorities or by virtue of exemptions under Applicable Securities Laws and shall not be subject to resale restrictions under Applicable Securities Laws (other than as applicable to control persons or pursuant to Section 2.6 of National Instrument 45-102 - *Resale of Securities*);

(f) (i) the TSXV shall have conditionally approved the listing of the Newco Shares to be issued pursuant to the Arrangement; and (ii) the TSXV shall have, if required, accepted notice for filing of all transactions of the Parties contemplated herein or necessary to complete the Arrangement, subject only to compliance with the usual requirements of the TSXV;

(g) (i) all consents, waivers, permits, exemptions, orders and approvals of, and any registrations and filings with, any Governmental Entity and the expiry of any waiting periods, in connection with, or required to permit, the completion of the Arrangement; and (ii) all third Person and other consents, waivers, permits, exemptions, orders, approvals, agreements and amendments and modifications to agreements, indentures or arrangements, in each case, the failure of which to obtain or the non-expiry of which would, or could reasonably be expected to have, a Material Adverse Effect on the Parties or materially impede the completion of the Arrangement, shall have been obtained or received;

(h) Newco Shares to be issued in the United States pursuant to the Arrangement shall be exempt from registration requirement of the 1933 Act pursuant to Subsection 3(a)(10) thereof and shall not be subject to resale restrictions in the United States under the 1933 Act (other than as may be prescribed by Rule 144 and Rule 145 under the 1933 Act);

(i) the Articles of Arrangement to be filed with the Registrar in accordance with the Arrangement shall be in form and substance satisfactory to the Parties, acting reasonably;

(j) the Effective Date of the Arrangement shall have occurred prior to the Completion Deadline; and

(k) this Arrangement Agreement shall not have been terminated pursuant to Article 7 hereof.

The foregoing conditions are for the mutual benefit of the Parties and may be waived by mutual consent of the Parties in writing at any time. If any of such conditions shall not be complied with or waived as aforesaid on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to Section 5.04 hereof, any Party may terminate this Arrangement Agreement by written notice to the others of them in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Arrangement Agreement by such rescinding Party.

5.02 Additional Conditions to Obligations of Horizon

The obligation of Horizon to complete the transactions contemplated herein is subject to the fulfillment of the following additional conditions at or before the Effective Date or such other time as is specified below (each of which is for the exclusive benefit of Horizon and may be waived only with the written consent of Horizon):

(a) the representations and warranties made by Iskander in this Arrangement Agreement shall be true and correct in all respects as of the Effective Date as if made on and as of such date, without regard to any materiality qualifications, except where any failures or breaches of representations and warranties would not either individually or in the aggregate, have a Material Adverse Effect on Horizon or materially impede the completion of the Arrangement, and Horizon shall have received a certificate of Iskander, addressed to Horizon and dated the Effective Date, signed on behalf of Iskander by two executive officers of Iskander reasonably acceptable to Horizon (on Iskander's behalf and without personal liability), confirming the same as of the Effective Date;

(b) no Material Adverse Change respecting Iskander shall have occurred on or after the date hereof and prior to the Effective Time;

(c) all covenants of Iskander under this Agreement to be performed on or before the Effective Time shall have been duly performed by Iskander in all material respects, and Horizon shall have received a certificate of Iskander addressed to Horizon and dated the Effective Date, signed on behalf of Iskander by two executive officers of Iskander reasonably acceptable to Horizon (on Iskander's behalf and without personal liability), confirming the same as of the Effective Date;

(d) all outstanding Iskander Options will have been exercised in full, cancelled or irrevocably released, surrendered or waived or otherwise dealt with on terms satisfactory to Horizon, acting reasonably;

(e) the Iskander Lock-Up Agreements shall not have been breached or terminated by any of the Iskander Locked-Up Shareholders, such that as a result of such breach or termination the Iskander Arrangement Resolution is not passed at the Iskander Meeting;

(f) the Iskander Shareholder Lock-Up Agreements shall not have been breached or terminated by any of the Iskander Escrowed Shareholders, such that as a result of such breach or termination the Iskander Arrangement Resolution is not passed at the Iskander Meeting;

(g) shareholders holding no more than 5% of the outstanding Iskander Shares shall have exercised Iskander Dissent Rights;

(h) Iskander shall have furnished Horizon with:

    (i) a certified copy of resolutions duly passed by the Iskander Board approving the execution and delivery of this Agreement, the performance by Iskander of its obligations under this Agreement and the consummation of the transactions contemplated by this Agreement; and

    (ii) a certified copy of the Iskander Arrangement Resolution;

(i) the Iskander Board shall not have effected a Change in Iskander Recommendation; and

(j) the aggregate amount of Iskander's Working Capital shall be nil.

The foregoing conditions are for the exclusive benefit of Horizon and may be asserted by Horizon regardless of the circumstances or may be waived by Horizon in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Horizon may have.

5.03 Additional Conditions to Obligations of Iskander

The obligation of Iskander to complete the transactions contemplated herein is subject to the fulfillment of the following additional conditions at or before the Effective Date or such other time as is specified below (each of which is for the exclusive benefit of Iskander and may be waived only with the written consent of Iskander):

(a) the representations and warranties made by Horizon in this Arrangement Agreement shall be true and correct in all respects as of the Effective Date as if made on and as of such date, without regard to any materiality qualifications, except where any failures or breaches of representations and warranties would not either individually or in the aggregate, have a Material Adverse Effect on Iskander or materially impede the completion of the Arrangement, and Iskander shall have received a certificate of Horizon, addressed to Iskander and dated the Effective Date, signed on behalf of Horizon by two executive officers of Horizon reasonably acceptable to Iskander (on Horizon's behalf and without personal liability), confirming the same as of the Effective Date;

(b) no Material Adverse Change respecting Horizon shall have occurred on or after the date hereof and prior to the Effective Time;

(c) all covenants of Horizon under this Agreement to be performed on or before the Effective Time shall have been duly performed by Horizon in all material respects, and Iskander shall have received a certificate of Horizon addressed to Iskander and dated the Effective Date, signed on behalf of Horizon by two executive officers of Horizon reasonably acceptable to Iskander (on Horizon's behalf and without personal liability), confirming the same as of the Effective Date;

(d) all outstanding Horizon Options will have been exercised in full, cancelled or irrevocably released, surrendered or waived or otherwise dealt with on terms satisfactory to Iskander, acting reasonably;

(e) the Horizon Lock-Up Agreements shall not have been breached or terminated by any of the Horizon Locked-Up Shareholders, such that as a result of such breach or termination the Horizon Arrangement Resolution is not passed at the Horizon Meeting;

(f) the Horizon Shares for Debt Transaction shall have been completed and all Horizon Shares to be issued to directors of Horizon thereunder shall have been issued as fully paid and non-assessable common shares in the capital of Horizon;

(g) shareholders holding no more than 5% of the outstanding Horizon Shares shall have exercised Horizon Dissent Rights;

(h) the Horizon Financing shall have been completed for gross proceeds of no more than $2 million, or such greater amount as may be approved by the Horizon Board and the Iskander Board;

(i) Horizon shall have furnished Iskander with:

   (i) a certified copy of resolutions duly passed by the Horizon Board approving the execution and delivery of this Agreement, the performance by Horizon of its obligations under this Agreement and the consummation of the transactions contemplated by this Agreement; and

   (ii) a certified copy of the Horizon Arrangement Resolution;

(j) the Horizon Board shall not have effected a Change in Horizon Recommendation; and

(k) the aggregate amount of Horizon's Working Capital shall be at least $1,000,000.

The foregoing conditions are for the exclusive benefit of Iskander and may be asserted by Iskander regardless of the circumstances or may be waived by Iskander in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Iskander may have.

5.04 Notice and Cure Provisions

(a) Each Party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the earlier to occur of the termination of this Arrangement Agreement and the Effective Time of any event or state of facts which occurrence or failure would, or would be likely to:

(i) cause any of the representations or warranties of any Party contained herein to be untrue or inaccurate in any material respect on the date hereof or at the Effective Time; or

(ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder prior to the Effective Time.

(b) The Parties may not exercise their right to terminate this Arrangement Agreement pursuant to Subsection 7.02(a)(ii) unless the Party intending to rely thereon has delivered a written notice to the other Parties specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfilment or the applicable condition or termination right, as the case may be. If any such notice is delivered, provided that a Party is proceeding diligently to cure such matter and such matter is capable of being cured, no Party may terminate this Arrangement Agreement until the expiration of a period of 15 Business Days from such notice, and then only if such matter has not been cured by such date. If such notice has been delivered prior to the making of the application for the Final Order, such application and such filing shall be postponed until the expiry of such period. For greater certainty, in the event that such matter is cured within the time period referred to herein without a Material Adverse Effect, this Arrangement Agreement may not be terminated as a result of the cured breach.

5.05 Merger of Conditions

The conditions set out in this Article 5 are conclusively deemed to have been satisfied, fulfilled or waived when, with the agreement of the Parties, Articles of Arrangement are filed under the ABCA to give effect to the Arrangement.

ARTICLE 6
NON-SOLICITATION, RIGHT TO MATCH, TERMINATION FEES AND EXPENSES

6.01 Non-Solicitation

(a) Each of Iskander and Horizon agree that on and after the date hereof, except as otherwise provided in the Agreement, it shall not, directly or indirectly, through any officer, director, employee, representative (including for greater certainty any financial or other advisors) or agent of such Party or any of its Subsidiaries (collectively, the "**Representatives**"):

(i) make, solicit, assist, initiate, encourage or otherwise facilitate (including, without limitation, by way of furnishing non-public information, permitting any visit to any facilities or properties of such Party, or entering into any form of written or oral agreement, arrangement or understanding) any inquiries, proposals or offers that constitute or may reasonably be expected to constitute an Acquisition Proposal;

(ii) engage in any discussions or negotiations regarding, or provide any information with respect to, or otherwise co-operate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to make or complete any Acquisition Proposal, provided that, for greater certainty, a Party may advise any Person making an unsolicited Acquisition Proposal that such Acquisition Proposal does not constitute a Superior Proposal when the Iskander Board or Horizon Board, as applicable, has so determined;

(iii) make a Change in Iskander Recommendation or a Change in Horizon Recommendation, respectively; or

(iv) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal,

provided that nothing in this Subsection 6.01(a) or any other provision of this Agreement shall prevent the Horizon Board or Iskander Board, as applicable, from, and the Horizon Board or Iskander Board, as applicable, shall be permitted to engage in discussions or negotiations with, or respond to enquiries from any Person that has made a written Acquisition Proposal that the Horizon Board or Iskander Board, as applicable, has determined constitutes or would reasonably be expected to result in a Superior Proposal, or provide information pursuant to Subsection 6.01(f) to any Person where the requirements of that section are met.

(b) Each Party shall, and shall cause its Subsidiaries and Representatives to, immediately cease any existing solicitation, discussion or negotiation with any Person, by or on behalf of the Parties with respect to any potential Acquisition Proposal, whether or not initiated by a Party or any of its Representatives, and, in connection therewith, each Party will discontinue access to any data rooms (virtual or otherwise).

(c) No Party shall waive, release any Person from, or fail to enforce on a timely basis any obligation under any confidentiality agreement or standstill agreement or amend any such agreement (except to allow such Person to confidentially propose to the Horizon Board or Iskander Board, as applicable, an unsolicited Acquisition Proposal that did not result from a breach of this Section 6.01).

(d) Within ten Business Days from the date hereof, each Party shall request the return or destruction of all information provided to any third parties who have entered into a confidentiality agreement with a Party within the last 12 months relating to any potential Acquisition Proposal and shall use commercially reasonable best efforts to ensure that such requests are honoured in accordance with the terms of such confidentiality agreements and promptly (and in any event within 24 hours) provide copies of all correspondence relating to same to the Parties. Each Party will immediately advise the Parties orally and in writing of any response or action (actual, anticipated, contemplated or threatened) by any such third party which could reasonably be expected to hinder, prevent or delay or otherwise adversely affect the completion of the Arrangement.

(e) Notwithstanding Subsections 6.01(a), 6.01(b), 6.01(c) or 6.01(d), from and after the date of this Agreement, each Party shall promptly (and in any event within 24 hours after it has received any proposal, inquiry, offer or request) notify the other Parties, at first orally and then in writing of: (i) any proposal, inquiry, offer or request (or any amendment thereto) constituting an Acquisition Proposal that did not result from a breach of this Section 6.01, or (ii) any request for discussions or negotiations relating to, or which could reasonably lead to, an Acquisition Proposal, and/or any request for non-public information relating to any Party or contractual or legal rights or for access to properties, books and records or a list of the Shareholders of any Party of which the Parties' Representatives are or become aware, or any amendments to the foregoing. Such notice shall include a description of the terms and conditions of, and the identity of the Person making, any proposal, inquiry, offer or request (including any amendment thereto) that constitutes an Acquisition Proposal and shall include copies of any such proposal, inquiry, offer or request or any amendment to any of the foregoing. Each Party shall also provide such other details of the proposal, inquiry, offer or request, or any amendment to the foregoing that constitutes an Acquisition Proposal, as the Parties may reasonably request. Each Party shall keep the Parties promptly and fully informed of the status, including, without limitation, any change to the material terms, of any such proposal, inquiry, offer or request, or any amendment to the foregoing that constitutes an Acquisition Proposal, and will respond promptly to all inquiries by the Parties with respect thereto.

(f) If any Party receives a request for non-public information from a Person who, on an unsolicited basis, has proposed to such Party an Acquisition Proposal and the Iskander Board or Horizon Board, as applicable, determines, in good faith, after consultation with its financial advisors and outside legal counsel, that such

Acquisition Proposal would be, if consummated in accordance with its terms, reasonably likely to result in a Superior Proposal, then, and only in such case, the Party may provide such Person with access to information regarding such Party, subject to the execution of a confidentiality agreement (the "**Third Party Confidentiality Agreement**") substantially in the form and on the terms typical for a transaction of this type, including for greater certainty, a standstill covenant on terms typical for a transaction of this type (however such Third Party Confidentiality Agreement may permit the making of a confidential Acquisition Proposal to the applicable board of directors); provided further that the Party sends a copy of any such Third Party Confidentiality Agreement to the other Parties promptly upon its execution and the other Parties are provided with a list of or copies of the information provided to such Person and if the other Parties have not previously received such information, the other Parties are immediately provided with access to the same information which was provided by the Party to such Person.

(g) Each Party shall ensure that its Representatives are aware of the provisions of this Section 6.01 and each Party shall be responsible for any breach of this Section 6.01 by its Representatives.

(h) Subject to Section 6.02, at any time following the date of this Arrangement Agreement and prior to obtaining the Horizon Shareholder Approval, in the case of Horizon or Iskander Shareholder Approval, in the case of Iskander, if a Party receives an Acquisition Proposal that did not result from a breach of this Section 6.01 and which its board of directors concludes in good faith constitutes a Superior Proposal, it may, subject to compliance with the procedures set forth in Sections 6.03 and 7.02, terminate this Arrangement Agreement to enter into a definitive agreement with respect to such Superior Proposal.

(i) No Party shall accept, approve or recommend, or enter into any agreement (other than the Third Party Confidentiality Agreement contemplated by Subsection 6.01(f)) constituting an Acquisition Proposal unless:

   (i) the Horizon Board or the Iskander Board, as applicable, first determines that, after consultation with its legal and financial advisors, the Acquisition Proposal constitutes, or could reasonably be expected to constitute, a Superior Proposal;

   (ii) the Party has complied with the provisions of Section 6.01;

   (iii) the Party has provided the other Parties with notice in writing that there is a Superior Proposal, together with all documentation related to and detailing the Superior Proposal (including a copy of the Third Party Confidentiality Agreement, or any confidentiality agreement between the Party and the Person making the Superior Proposal if not previously delivered);

(iv) five Business Days shall have elapsed (the "**Right to Match Period**") from the date the other Parties received the notice and documentation referred to in Subsection 6.01(i)(iii) from the Party in respect of the Acquisition Proposal;

(v) during the Right to Match Period the other Parties have had the opportunity (but not the obligation) pursuant to Section 6.02 to amend this Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;

(vi) after the Right to Match Period, the Horizon Board or the Iskander Board, as applicable, shall have determined, in good faith, after consultation with its respective financial advisors and outside legal counsel, that the Acquisition Proposal continues to constitute a Superior Proposal compared to the proposed amendment to the terms of the Arrangement by the Parties;

(vii) the Party concurrently terminates this Agreement pursuant to Section 7.02; and

(viii) the Party will have paid to the applicable Party the termination fee.

6.02 Right to Match

(a) Each Party acknowledges and agrees that, during the Right to Match Period or such longer period as the Parties may approve for such purpose, the Parties shall have the opportunity, but not the obligation, to propose to amend the terms of this Agreement and the Arrangement and the Parties shall co-operate with each other with respect thereto, including negotiating in good faith to enable a Party to make such adjustments to the terms and conditions of this Agreement and the Arrangement as a Party deems appropriate and as would enable such Party to proceed with the Arrangement on such adjusted terms. The Horizon Board or the Iskander Board, as applicable, will review any proposal by a Party to amend the terms of the Arrangement in order to determine, in good faith in the exercise of its fiduciary duties and consistent with Section 6.01, whether such Party's proposal to amend the Arrangement would result in the Acquisition Proposal ceasing to be a Superior Proposal compared to the proposed amendment to the terms of the Arrangement.

(b) If the Horizon Board or the Iskander Board, as applicable, determines that such Acquisition Proposal would cease to be a Superior Proposal, the Parties shall amend this Agreement to reflect such amended terms and shall take and cause to be taken all such actions necessary to give effect to the foregoing.

(c) The Horizon Board or the Iskander Board, as applicable, shall promptly reaffirm its recommendation of the Arrangement by press release after: (i) any Acquisition Proposal which the Horizon Board or the Iskander Board, as applicable, determines not to be a Superior Proposal is publicly announced or made; or (ii) the Horizon Board or the Iskander Board, as applicable, determines that a proposed amendment to the terms of the Arrangement would result in the Acquisition Proposal which has been publicly announced or made not being a Superior Proposal, and the Parties have so amended the terms of the Arrangement in accordance with Section 6.02(b). The Parties and their counsel shall be given a reasonable opportunity to review and comment on the form and content of any such press release and reasonable consideration shall be given to such comments by the Parties.

(d) Nothing in this Agreement shall prevent the Horizon Board or the Iskander Board, as applicable, from responding as required by Applicable Securities Laws to an Acquisition Proposal or to convene a meeting requisitioned by shareholders in accordance with applicable Laws. Further, nothing in this Agreement shall prevent the Horizon Board or the Iskander Board, as applicable, from making any disclosure to the Shareholders, as applicable, if the Horizon Board or the Iskander board, as applicable, acting in good faith and upon the advice of its legal advisors, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Horizon Board or the Iskander Board, as applicable, and provided further that such disclosure is otherwise in accordance with the terms of this Agreement.

(e) The Parties acknowledge and agree that each successive modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of Subsection 6.01(i).

(f) If a Party receives an Acquisition Proposal within five Business Days of its respective shareholders' meeting date, the Party shall have the right to adjourn or postpone its meeting to a date not more than ten Business Days after the date on which the meeting was originally scheduled and in any event not later than the date that is three Business Days prior to the Completion Deadline. In the event that Party receives an Acquisition Proposal within five Business Days of its respective shareholders' meeting date or such meeting date would occur during the Right to Match Period, the other Parties shall be entitled to: (a) adjourn or postpone their respective Meeting; and (b) require the Party that received the Acquisition Proposal to postpone or adjourn its shareholders' meeting to a date not more than ten Business Days after the date on which the meeting was originally scheduled and in any event not later than the date that is three Business Days prior to the Completion Deadline.

(g) Notwithstanding this Article 6, Horizon shall be permitted to continue to pursue business development opportunities in Cameroon and Iskander shall be permitted to continue to pursue a farm-in transaction on the Norio concession and the acquisition of Jindal Georgia, and any agreements arising from such activities shall not constitute an Acquisition Proposal, provided that the other Party shall approve any agreement before it is entered into.

6.03 Termination Fees

(a) If a Horizon Termination Fee Event occurs, Horizon shall pay, or cause to be paid, to Iskander (by wire transfer of immediately available funds) the Horizon Termination Fee.

(b) If an Iskander Termination Fee Event occurs, Iskander shall pay, or cause to be paid, to Horizon (by wire transfer of immediately available funds) the Iskander Termination Fee.

(c) For the purposes of this Arrangement Agreement, "**Horizon Termination Fee Event**" means the termination of this Arrangement Agreement pursuant to Subsection 7.02(a)(iv)A or 7.02(a)(iv)B of this Agreement, in which case the Horizon Termination Payment shall be paid to Iskander.

(d) For the purposes of this Arrangement Agreement, "**Iskander Termination Fee Event**" means the termination of this Arrangement Agreement pursuant to Subsection 7.02(a)(iii)A or 7.02(a)(iii)B of this Agreement, in which case the Iskander Termination Payment shall be paid to Horizon.

(e) If a Termination Fee Event described in any of Subsections 6.03(c) or 6.03(d) occurs, the Horizon Termination Fee or Iskander Termination Fee, as applicable shall be payable within two Business Days of the occurrence of such Horizon Termination Fee Event or Iskander Termination Fee Event, respectively and, in any event, shall be payable concurrently with the execution of the legally binding agreements relating to a Superior Proposal.

(f) Each of the Parties acknowledges that the agreements contained in this Section 6.03 are an integral part of the transactions contemplated in this Arrangement Agreement and that, without those agreements, the Parties would not enter into this Arrangement Agreement. Each Party acknowledges that all of the payment amounts set out in this Section 6.03 are payments of liquidated damages which are a genuine pre-estimate of the damages, which the Party entitled to such damages will suffer or incur as a result of the event giving rise to such payment and the resultant termination of this Arrangement Agreement and are not penalties. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, each Party agrees that, upon any termination of this Arrangement Agreement under circumstances where Horizon is entitled to the Iskander Termination Fee or where Iskander is entitled to the Horizon Termination Fee, as applicable, and such Iskander Termination Fee or Horizon Termination Fee, as applicable, are paid in full, such Party shall be precluded from any other remedy against the other Parties at law or in equity or otherwise (including, without limitation, an order for specific performance), and shall not seek to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive damages, against the other Parties or any of their respective directors, officers, employees, partners, managers, members, shareholders or affiliates in connection with this Arrangement Agreement or the transactions contemplated hereby.

(g) If this Arrangement Agreement is terminated by any Party (a "**Terminating Party**") pursuant to Subsections 7.02(a)(ii), 7.02(a)(iii)C, 7.02(a)(iii)D, 7.02(a)(iii)E, 7.02(a)(iv)C, 7.02(a)(iv)D or 7.02(a)(iv)E, the Parties shall equally pay all third party expenses and disbursements incurred in connection with this Arrangement Agreement and the transactions contemplated hereby, the Meetings, the preparation and mailing of the Joint Circular, including legal fees, printing costs and all disbursements by advisors, unless a Horizon Termination Fee Event or an Iskander Termination Fee Event occurs, in which case such expenses shall be paid by the Party incurring such fees, costs or expenses, provided that auditor fees incurred by Iskander in connection with preparing audited financial statements of Iskander shall be paid solely by Iskander. The provisions of this Section 6.03(g) shall survive the termination of this Arrangement Agreement.

(h) Nothing in this Section 6.03 shall relieve or have the effect of relieving any Party in any way from Liability for damages incurred or suffered by a Party as a result of an intentional or wilful breach of this Arrangement Agreement by the other Party.

(i) Nothing in this Section 6.03 shall preclude a Party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Arrangement Agreement or otherwise to obtain specific performance of any such covenants or agreements, without the necessity of posting bond or security in connection therewith.

(j) In no event shall a Party be obligated to pay to another Party an amount in respect of the termination of this Arrangement Agreement that is, in aggregate, in excess of the Horizon Termination Fee or Iskander Termination Fee, as applicable, and the Horizon Termination Fee or Iskander Termination Fee, as applicable, shall each, in any case, only be paid once by a Party.

6.04 Access to Information; Confidentiality

(a) From the date hereof until the earlier of the Effective Time and the termination of this Arrangement Agreement, subject to compliance with applicable Laws and the terms of any existing Contracts, the Parties shall, and shall cause their respective officers, directors, employees, independent auditors, accounting advisers and agents to, afford to the other Parties and to the officers, employees, agents and representatives of such other Parties access as such Parties may reasonably require at all reasonable times, including for the purpose of facilitating integration business planning, to their officers, employees, agents, properties, books, records and Contracts, and shall furnish such Parties with all data and information as the Parties may reasonably request.

(b) All information of a confidential nature relating to a Party or its business that is disclosed to another Party in accordance with this Agreement or in connection with the Arrangement and the transactions contemplated herein shall be held in confidence by the receiving Party and shall not be disclosed to any Person or the public except with the prior written consent of the disclosing Party, acting reasonably. Such consent shall not apply to the disclosure of confidential information as required by applicable Law or stock exchange requirements, provided that (i) only the confidential information that is legally required may be disclosed, and (ii) the Party making such disclosure as required by applicable Law or stock exchange requirements shall consult with the Party who disclosed the confidential information in accordance with this Agreement or in connection with the Arrangement and the transactions contemplated herein and co-operate with such Party who disclosed the confidential information to obtain a protective order or other remedy.

6.05 Insurance and Indemnification

(a) For the period from the Effective Date until six years after the Effective Date, each Party or any successor to any Party (including the successor resulting from the winding-up or liquidation or dissolution of any Party) shall maintain such Party's current directors' and officers' insurance policy or an equivalent policy on a six-year "trailing" or "run-off" basis subject in either case to terms and conditions no less advantageous to the directors and officers of each Party than those contained in the policy in effect on the date hereof, for all present and former directors and officers of the Parties, covering claims made prior to or within six years after the Effective Date.

(b) If the Arrangement is completed, each Party or any successor to any Party shall not, and will not permit any successor to such Party to, take any action to terminate or materially adversely affect, and will cause such Party to fulfil its obligations pursuant to, any insurance policies, indemnity agreements or rights to indemnity in favour of past or present officers and directors of such Party pursuant to the provisions of outstanding insurance policies, the articles, by-laws or similar constating documents of such Party and written indemnity agreements between such Party and past or present directors or officers of such Party that are in place as at the date hereof.

ARTICLE 7
TERM, TERMINATION, AMENDMENT AND WAIVER

7.01 Term

This Arrangement Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Arrangement Agreement in accordance with its terms.

7.02 Termination

(a) Subject to Subsection 7.02(c), this Arrangement Agreement may be terminated and the Arrangement may be abandoned at any time prior to the Effective Time (notwithstanding any approval of the Arrangement Resolutions, or of this Arrangement Agreement by the applicable shareholders or the approval of the Arrangement by the Court):

(i) by mutual written agreement of each of the Parties; or

(ii) by any one of the Parties, if:

A. the Effective Time shall not have occurred on or before the Completion Deadline, except that the right to terminate this Arrangement Agreement under this Subsection 7.02(a)(ii)A shall not be available to any Party whose failure to fulfill any of its obligations or whose breach of any of its representations and warranties under this Arrangement Agreement has been the cause of, or directly resulted in, the failure of the Effective Time to occur by such Completion Deadline;

B. after the date hereof, there shall be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins the Parties from consummating the Arrangement and such applicable Law (if applicable) or enjoinment shall have become final and non-appealable;

C. the Horizon Arrangement Resolution or the Iskander Arrangement Resolution shall have failed to obtain the Horizon Shareholder Approval or the Iskander Shareholder Approval, as applicable, at the Horizon Meeting or Iskander Meeting, respectively (including any adjournment or postponement thereof) in accordance with the Interim Order;

D. each of the Horizon Meeting or Iskander Meeting has not occurred on or before June 30, 2016, provided that the right to terminate this Arrangement Agreement pursuant to this Subsection 7.02(a)(ii)D shall not be available to a Party if the failure by a Party to fulfil any obligation hereunder is the cause of, or results in, the failure of the Iskander Meeting or Horizon Meeting, as applicable, to occur on or before such date; or

(iii) by Horizon, if:

A. prior to obtaining the Iskander Shareholder Approval there is a Change in Iskander Recommendation;

B. the Iskander Board authorizes Iskander to enter into a legally binding agreement relating to a Superior Proposal;

C. subject to Section 5.04, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of

Iskander set forth in this Arrangement Agreement (other than as set forth in Section 6.01) shall have occurred that would cause the conditions set forth in Section 5.01 or Section 5.02 not to be satisfied, and such conditions are incapable of being satisfied by the Completion Deadline; provided that Horizon is not then in breach of this Arrangement Agreement so as to cause any of the conditions set forth in Section 5.01 or Section 5.02 not to be satisfied;

D. Iskander is in material breach or in default of any of its obligations or covenants set forth in Section 6.01;

E. any condition set forth in Section 5.01 or Section 5.02 is not satisfied, and such condition is incapable of being satisfied by the Completion Deadline;

(iv) by Iskander, if:

A. prior to obtaining the Horizon Shareholder Approval, there is a Change in Horizon Recommendation;

B. the Horizon Board authorizes Horizon to enter into a legally binding agreement relating to a Superior Proposal;

C. subject to Section 5.04, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Horizon set forth in this Arrangement Agreement (other than as set forth in Section 6.01) shall have occurred that would cause the conditions set forth in Section 5.01 or Section 5.03 not to be satisfied, and such conditions are incapable of being satisfied by the Completion Deadline; provided that Iskander is not then in breach of this Arrangement Agreement so as to cause any of the conditions set forth in Section 5.01 or Section 5.03 not to be satisfied;

D. Horizon is in material breach or in default of any of its obligations or covenants set forth in Section 6.01;

E. any condition set forth in Section 5.01 or Section 5.03 is not satisfied, and such condition is incapable of being satisfied by the Completion Deadline;

(v) by Horizon upon the decision by the Horizon Board to accept, recommend, approve or enter into an agreement to implement a Superior Proposal in accordance with Subsection 6.01(h), provided Horizon: (i) has complied with its obligations set forth in Section 6.01; and (ii) concurrently pays the amount required pursuant to Section 6.03; or

(vi) by Iskander upon the decision by the Iskander Board to accept, recommend, approve or enter into an agreement to implement a Superior Proposal in accordance with Subsection 6.01(h), provided Iskander: (i) has complied with its obligations set forth in Section 6.01; and (ii) concurrently pays the amount required pursuant to Section 6.03.

(b) The Party desiring to terminate this Arrangement Agreement pursuant to this Section 7.02 (other than pursuant to Subsection 7.02(a)(i)) shall give notice of such termination to the other Parties.

(c) If this Arrangement Agreement is terminated pursuant to this Section 7.02, this Arrangement Agreement shall become void and of no effect without Liability of any Party (or any shareholder, director, officer, employee, agent, consultant or representative of such Party) to any other Party hereto, except as otherwise expressly contemplated hereby, and provided that the provisions of this Subsection 7.02(c), Section 6.03, Subsection 6.04(b), Article 8 and the confidentiality terms and conditions shall survive any termination hereof pursuant to Subsection 7.02(a); provided further that neither the termination of this Arrangement Agreement nor anything contained in this Section 7.02 shall relieve a Party from any Liability arising prior to such termination.

7.03 Mutual Understanding Regarding Amendments

(a) In addition to the transactions contemplated hereby or at the request of a Party, the Parties will continue from and after the date hereof and through and including the Effective Date to use their respective commercially reasonable efforts to maximize present and future planning opportunities for Parties and the Shareholders as and to the extent that the same shall not prejudice any party hereto or the shareholders thereof. The Parties will ensure that such planning activities do not impede the progress of the Arrangement in any material way.

(b) The Parties mutually agree that if a Party proposes any other amendment or amendments to this Arrangement Agreement or to the Plan of Arrangement, each other Party will act reasonably in considering such amendment and if the other of them and the Shareholders and creditors thereof are not materially prejudiced by reason of any such amendment they will cooperate in a reasonable fashion with the Party proposing the amendment so that such amendment can be effected subject to applicable Laws and the rights of the Shareholders.

(c) Each of Parties agree that any such modifications and any transactions or steps taken in accordance with this Section 7.03 shall not be considered in determining whether any representation or warranty made by them under this Arrangement Agreement has been breached if such modifications, transactions and steps are the sole cause of such breach.

(d) The Parties shall enter into an amending agreement reflecting the proposed amendments to the Arrangement and this Arrangement Agreement and the Plan of Arrangement shall be modified accordingly and the Parties shall each use their respective commercially reasonable efforts to communicate any such modifications to the Shareholders and to ensure that any such modifications are, to the extent required under applicable Law, presented to the Shareholders at the Meetings, as the case may be.

7.04 Amendment

This Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Meetings but not later than the Effective Time, be amended by mutual written agreement of the Parties, and any such amendment may, subject to the Interim Order and the Final Order and applicable Law, without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

(c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; and/or

(d) waive compliance with or modify any mutual conditions precedent herein contained.

7.05 Waiver

Any Party may: (i) extend the time for the performance of any of the obligations or acts of the other Parties; (ii) waive compliance, except as provided herein, with any of the other Parties agreements or the fulfilment of any conditions to its own obligations contained herein; or (iii) waive inaccuracies in any of the other Parties representations or warranties contained herein or in any document delivered by the other Parties; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived.

ARTICLE 8
GENERAL

8.01 Privacy

The Parties acknowledge that they are responsible for compliance at all times with applicable privacy laws which govern the collection, use and disclosure of personal information acquired by or disclosed to the Parties pursuant to or in connection with this Agreement (the "**Disclosed Personal Information**"). Neither Party shall use the Disclosed Personal Information for any purposes other than those relating to the performance of this Agreement and the completion of the Arrangement.

8.02 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Arrangement Agreement by a Party shall be in writing and shall be delivered by hand to the Party to which the notice is to be given at the following address or sent by facsimile or other electronic transmission to the following numbers or to such other address, facsimile number or email address as shall be specified by a Party by like notice. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day or, if not, then the next succeeding Business Day) and if sent by facsimile or other electronic transmission be deemed to have been given and received at the time of receipt (if a Business Day or, if not, then the next succeeding Business Day) unless actually received after 4:30 p.m. (Calgary time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day. The address for service of each of the Parties hereto shall be as follows:

(a) if to Horizon:

Suite 490, 700 – 4th Ave S.W.
Calgary, Alberta T2P 3J4

Attention: David Winter, Chief Executive Officer
Email: david.winter@horizon.petroleum.com

with a copy (which shall not constitute notice) to:

McDougall Gauley LLP
1500 - 1881 Scarth Street
Regina, Saskatchewan S4P 4K9

Attention: Brendan Bernakevitch
Email: bbernakevitch@mcdougallgauley.com

(b) if to Iskander:
4065, 918 - 16th Ave NW
Calgary, Alberta T2M 0K3

Attention: Roger McMechan, Chief Executive Officer
Email: rmcmechan@iskanderenergy.com

with a copy (which shall not constitute notice) to:

Fasken Martineau DuMoulin LLP
3400, 350 – 7th Avenue S.W.
Calgary, AB T2P 3N9

Attention: Christopher Wolfenberg
email: cwolfenberg@fasken.com

8.03 Remedies

Subject to Section 6.03, the Parties acknowledge and agree that an award of money damages may be inadequate for any breach of this Arrangement Agreement by any Party or its Representatives and advisors and that such breach may cause the non-breaching Party irreparable harm. Accordingly, the Parties agree that, in the event of any such breach or threatened breach of this Arrangement Agreement by one of the Parties, each Party will be entitled, without the requirement of posting a bond or other security, to seek equitable relief, including injunctive relief and specific performance. Subject to any other provision hereof including, without limitation, Section 6.03 hereof, such remedies will not be the exclusive remedies for any breach of this Arrangement Agreement but will be in addition to all other remedies available hereunder or at law or in equity to each of the Parties.

8.04 Time of the Essence

Time shall be of the essence in this Arrangement Agreement.

8.05 Entire Agreement

This Arrangement Agreement, together with the agreements and other documents herein or therein referred to, constitute the entire agreement and understanding between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof, including the LOI. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained herein.

8.06 Further Assurances

Each Party shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as shall be reasonably required in order to fully perform and carry out the terms and intent hereof including, without limitation, the Plan of Arrangement.

8.07 Governing Law; Waiver of Jury Trial

This Arrangement Agreement shall be governed by, and be construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of Alberta. Each of the Parties hereby irrevocably attorns to the exclusive jurisdiction of the Courts of the Province of Alberta in respect of all matters arising under and in relation to this Arrangement Agreement and waives any defences to the maintenance of an action in the Courts of the Province of Alberta.

8.08 Execution in Counterparts

This Arrangement Agreement may be executed in one or more counterparts, each of which shall conclusively be deemed to be an original and all such counterparts collectively shall be conclusively deemed to be one and the same. Delivery of an executed counterpart of the signature page to this Arrangement Agreement by facsimile or other electronic means shall be effective as delivery of a manually executed counterpart of this Arrangement Agreement, and any Party delivering an executed counterpart of the signature page to this Arrangement Agreement by facsimile or other electronic means to any other Party shall thereafter also promptly deliver a manually executed original counterpart of this Arrangement Agreement to such other Party, but the failure to deliver such manually executed original counterpart shall not affect the validity, enforceability or binding effect of this Arrangement Agreement.

8.09 Waiver

No waiver or release by any Party shall be effective unless in writing and executed by the Party granting such waiver or release and any waiver or release shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence. Waivers may only be granted upon compliance with the provisions governing amendments set forth in Section 7.05 hereof.

8.10 Enurement and Assignment

This Arrangement Agreement shall enure to the benefit of the Parties and their respective successors and permitted assigns and shall be binding upon the Parties and their respective successors. This Arrangement Agreement may not be assigned by any Parties without the prior written consent of the other Party.

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

HORIZON PETROLEUM LTD.

By: "*David Winter*" (signed)
Name: David Winter
Title: Chief Executive Officer

ISKANDER ENERGY CORP.

By: "*Roger G. McMechan*" (signed)
Name: Roger G. McMechan
Title: Chief Executive Officer

SCHEDULE "A"
FORM OF PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT UNDER SECTION 193
OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA)

PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT
UNDER SECTION 193 OF THE
***BUSINESS CORPORATIONS ACT* (ALBERTA)**

ARTICLE 1
INTERPRETATION

1.1 In the Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended, including the regulations promulgated thereunder;

"**AmalCo**" means the continuing corporation resulting from the Amalgamation;

"**AmalCo Shares**" means the common shares in the capital of AmalCo;

"**Amalgamation**" means the amalgamation of Horizon and Iskander pursuant to the Plan of Arrangement;

"**Arrangement**" means the arrangement under the provisions of Section 193 of the ABCA on the terms and conditions as set forth in the Plan of Arrangement subject to any amendment or supplement thereto made in accordance with the Arrangement Agreement, the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of each Party, acting reasonably;

"**Arrangement Agreement**" means the arrangement agreement dated April 19, 2016 between Horizon and Iskander and the schedules attached thereto, as amended, amended and restated or supplemented from time to time;

"**Articles of Amalgamation**" means the articles of amalgamation in respect of the Amalgamation by way of Arrangement required by the ABCA to be filed with the Registrar after the Final Order is made in order for the Amalgamation to become effective;

1.2 "**Articles of Arrangement**" means the articles of Arrangement in respect of the Arrangement required under subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been granted giving effect to the Arrangement;

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

"**Certificate**" means the certificate or other proof of filing issued by the Registrar pursuant to Subsection 185(4) of the ABCA giving effect to the Amalgamation;

"**Court**" means the Court of Queen's Bench of Alberta;

“**Depositary**” means **[•]**;

“**Effective Date**” means the date set out in the Certificate as being the effective date of the Arrangement;

“**Effective Time**” means 12:01 a.m. (Calgary time) on the Effective Date;

“**Final Order**” means the final order of the Court in form acceptable to the Parties, each acting reasonably, approving the Arrangement, as such order may be amended by the Court with the consent of the Parties at any time prior to the Effective Time or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

“**Governmental Entity**” means:

(i) any supranational body or organization, nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing;

(ii) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any court; and

(iii) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of such entities or other bodies;

“**Horizon**” means Horizon Petroleum Ltd., a corporation existing under the ABCA;

“**Horizon Arrangement Consideration**” means 1 AmalCo Share for 6 Horizon Shares, subject to adjustment for fractional shares as contemplated herein;

“**Horizon Arrangement Resolution**” means the special resolution of the Horizon Shareholders approving the Arrangement and the Plan of Arrangement pursuant to the Arrangement Agreement;

“**Horizon Dissent Procedures**” means the procedures to be taken by a registered Horizon Shareholder in exercising Horizon Dissent Rights;

“**Horizon Dissent Rights**” means the rights of dissent to be provided to registered Horizon Shareholders in respect of the Arrangement in accordance with the Interim Order as contemplated in the Plan of Arrangement;

“**Horizon Dissenting Shareholders**” means registered Horizon Shareholders who have duly and validly exercised their Horizon Dissent Rights in strict compliance with the Horizon Dissent Procedures and whose Horizon Dissent Rights have not terminated;

"**Horizon Letter of Transmittal**" means the letter of transmittal in the form to be delivered by Horizon to the Horizon Shareholders, to be used by such holders for the purpose of delivering the certificates representing their Horizon Shares to the Depositary as provided in Article 5;

"**Horizon Meeting**" means the special meeting, including any adjournments or postponements thereof, of the Horizon Shareholders to be held to consider and, if deemed advisable, to approve the Horizon Arrangement Resolution;

"**Horizon Options**" means all options to purchase Horizon Shares outstanding immediately prior to the Effective Time;

"**Horizon Securityholders**" means Horizon Shareholders, holders of Horizon Options and holders of Horizon Warrants;

"**Horizon Shareholders**" means, at any time, the holders of Horizon Shares;

"**Horizon Shares**" means common shares in the capital of Horizon;

"**Horizon Stock Option Plan**" means the stock option plan of Horizon;

"**Interim Order**" means the interim order of the Court pursuant to the ABCA, made in connection with the Arrangement, as such order may be amended, supplemented or varied by the Court with the consent of the Parties, each acting reasonably;

"**Iskander**" means Iskander Energy Corp., a corporation existing under the ABCA;

"**Iskander Arrangement Consideration**" means 1 AmalCo Share for 3,495 Iskander Shares, subject to adjustment for fractional shares as contemplated herein;

"**Iskander Arrangement Resolution**" means the special resolution of the Iskander Shareholders approving the Arrangement and the Plan of Arrangement pursuant to the Arrangement Agreement;

"**Iskander Dissent Procedures**" means the procedures to be taken by a registered Iskander Shareholder in exercising Iskander Dissent Rights;

"**Iskander Dissent Rights**" means the rights of dissent to be provided to registered Iskander Shareholders in respect of the Arrangement in accordance with the Interim Order as contemplated in the Plan of Arrangement;

"**Iskander Dissenting Shareholders**" means registered Iskander Shareholders who have duly and validly exercised their Iskander Dissent Rights in strict compliance with the Iskander Dissent Procedures and whose Iskander Dissent Rights have not terminated;

"**Iskander Letter of Transmittal**" means the letter of transmittal in the form to be delivered by Iskander to the Iskander Shareholders, to be used by such holders for the purpose of delivering the certificates representing their Iskander Shares to the Depositary as provided in Article 5;

"**Iskander Meeting**" means the special meeting of the Iskander Shareholders to be held to consider and, if deemed advisable, to approve the Iskander Arrangement Resolution, including in each case any adjournments or postponements thereof;

"**Iskander Options**" means all options to purchase Iskander Shares outstanding immediately prior to the Effective Time;

"**Iskander Securityholders**" means Iskander Shareholders, holders of Iskander Options and holders of Iskander Warrants;

"**Iskander Shareholders**" means, at any time, the holders of Iskander Shares;

"**Iskander Shares**" means common shares in the capital of Iskander;

"**Iskander Stock Option Plan**" means the stock option plan of Iskander;

"**Iskander Warrants**" means all warrants to acquire Iskander Shares outstanding immediately prior to the Effective Time;

"**Laws**" means any laws, including, without limitation, supranational, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgements, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, protocols, codes, guidelines, policies, notices, directions or other requirements of any Governmental Entity;

"**Liens**" means any mortgage, hypothec, prior claim, lien, pledge, assignment for security, security interest, option, right of first offer or first refusal or other charge or encumbrance of any kind and adverse claim;

"**Meetings**" means collectively, the Horizon Meeting and the Iskander Meeting;

"**Parties**" means Horizon and Iskander, and "**Party**" means any of them;

"**Person**" means an individual, partnership, association, body corporate, joint venture, business organization, trustee, executor, administrative legal representative, Governmental Entity or any other entity, whether or not having legal status; and

"**Registrar**" means the Registrar of Corporations for the Province of Alberta appointed under Section 263 of the ABCA.

1.3 In the Plan of Arrangement, unless otherwise expressly stated:

(a) the division of the Plan of Arrangement into Articles, Sections and Subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the Plan of Arrangement;

(b) the words "hereunder", "hereof" and similar expressions refer to the Plan of Arrangement and not to any particular Article, Section or Subsection and references to "Articles", "Sections" and "Subsections" are to Articles, Sections and Subsections of the Plan of Arrangement;

(c) words importing the singular include the plural and *vice versa*, and words importing any gender include all genders;

(d) the word "including" means "including without limiting the generality of the foregoing";

(e) references to dollar amounts are to Canadian dollars; and

(f) a reference to any statute or section thereof is to that statute as now enacted or as the statute or section may from time to time be amended, consolidated, re-enacted or replaced and includes any regulation promulgated thereunder.

1.4 In the event that the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

ARTICLE 2
ARRANGEMENT AGREEMENT

2.1 (a) The Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

(b) The Plan of Arrangement and the Arrangement, upon the filing of the Articles of Amalgamation and other documents as required by the ABCA and the Registrar and the issuance of the Certificate, will become effective at the Effective Time and shall be binding upon Horizon, Iskander, Horizon Securityholders and Iskander Securityholders as and from the Effective Time, without any further act or formality required on the part of any Person except as expressly provided herein.

(c) The Articles of Arrangement and the Certificate shall be filed and issued, respectively, with respect to the Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the time set out herein.

ARTICLE 3
ARRANGEMENT

3.1 At the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following sequence, in each case without any further authorization, act or formality except as otherwise provided herein:

(a) each Horizon Share held by a Horizon Dissenting Shareholder who is ultimately determined to be entitled to be paid the fair value of the Horizon Shares held by such Horizon Dissenting Shareholder in respect of which such Horizon Dissenting

Shareholder has exercised Horizon Dissent Rights will be deemed to be transferred by the holder thereof to Horizon (free and clear of any Liens) and such Dissenting Horizon Shareholder will cease to be the holder thereof or to have any rights as a holder in respect of such Horizon Share other than the right to be paid the fair value of such Horizon Share determined and payable in accordance with Article 4.1 and each Horizon Dissenting Shareholder's name shall be removed as the holder of such Horizon Shares from the register of Horizon Shareholders maintained by or on behalf of Horizon;

(b) each Iskander Share held by an Iskander Dissenting Shareholder who is ultimately determined to be entitled to be paid the fair value of the Iskander Shares held by such Iskander Dissenting Shareholder in respect of which such Iskander Dissenting Shareholder has exercised Iskander Dissent Rights will be deemed to be transferred by the holder thereof to Iskander (free and clear of any Liens) and such Dissenting Iskander Shareholder will cease to be the holder thereof or to have any rights as a holder in respect of such Iskander Share other than the right to be paid the fair value of such Iskander Share determined and payable in accordance with Article 4.2 and each Iskander Dissenting Shareholder's name shall be removed as the holder of such Iskander Shares from the register of Iskander Shareholders maintained by or on behalf of Iskander;

(c) notwithstanding the terms of the Horizon Stock Option Plan and any agreement, certificate or other instrument pursuant to which the Horizon Options were granted or confirmed, each Horizon Option granted and outstanding immediately prior to the Effective Time, will be deemed to be fully vested, terminated and cancelled;

(d) with respect to each Horizon Option, the holder thereof will cease to be the holder thereof or to have any rights as a holder in respect of such Horizon Option or under the Horizon Stock Option Plan and the name of the holder thereof will be removed from the applicable securities register of Horizon with respect to such Horizon Option;

(e) notwithstanding the terms of the Iskander Stock Option Plan and any agreement, certificate or other instrument pursuant to which the Iskander Options were granted or confirmed, each Iskander Option granted and outstanding immediately prior to the Effective Time, will be deemed to be fully vested, terminated and cancelled;

(f) with respect to each Iskander Option, the holder thereof will cease to be the holder thereof or to have any rights as a holder in respect of such Iskander Option or under the Iskander Stock Option Plan and the name of the holder thereof will be removed from the applicable securities register of Iskander with respect to such Iskander Option;

(g) notwithstanding the terms of any agreement, certificate or other instrument pursuant to which the Iskander Warrants were issued, each Iskander Warrant granted and outstanding immediately prior to the Effective Time, whether or not vested, will be deemed to be terminated and cancelled by Iskander;

(h) with respect to each Iskander Warrant, the holder thereof will cease to be the holder thereof or to have any rights as a holder in respect of such Iskander Warrant and the name of the holder thereof will be removed from the applicable securities register of Iskander with respect to such Iskander Warrant;

(i) Horizon and Iskander shall be amalgamated and continued as one corporation, AmalCo, in accordance with the following:

(i) *Name*: The name of AmalCo shall be "Scion Energy Corp.";

(ii) *Registered Office*: The registered office of AmalCo shall be located at 3400, 350 – 7th Avenue S.W., Calgary, Alberta T2P 3N9;

(iii) *Share Provisions*: AmalCo is authorized to issue an unlimited number of Common Shares of AmalCo and an unlimited number of preferred shares, issuable in series;

(iv) *Restrictions on Transfer*: None;

(v) *Restrictions on Business*: There shall be no restrictions on the business that AmalCo may carry on or on the powers it may exercise;

(vi) *Directors*: The directors of AmalCo shall, until otherwise changed in accordance with the ABCA, consist of a minimum number of one director and a maximum number of ten directors;

(vii) *Other Provisions*: The other provisions forming part of the Articles of AmalCo shall be as set forth in Appendix A hereto;

(viii) *Stated Capital*: The aggregate stated capital of AmalCo will be an amount equal to the aggregate of the stated capital for the shares of Horizon and Iskander immediately before the Effective Date;

(ix) *By-Laws*: The by-laws of AmalCo shall be the by-laws set forth in Appendix B hereto;

(x) *Effect of the Amalgamation*: The provisions of subsections 186(b), (c), (d), (e), (f) and (g) of the ABCA shall apply to the amalgamation with the result that:

(A) all of the property of each of the amalgamating corporations shall continue to be the property of AmalCo;

(B) AmalCo shall continue to be liable for all of the obligations of all of the amalgamating corporations;

(C) any existing cause of action, claim or liability to prosecution of any of the amalgamating corporations shall be unaffected;

(D) any civil, criminal or administrative action or proceeding pending by or against any of the amalgamating corporations shall be able to be continued to be prosecuted by or against AmalCo;

(E) a conviction against, or ruling, order or judgment in favour of or against, any of the amalgamating corporations shall be able to be enforced by or against AmalCo;

(F) the Articles of Amalgamation shall be deemed to be the Articles of Incorporation of AmalCo and the Certificate of Amalgamation shall be deemed to be the Certificate of Incorporation of AmalCo;

(xi) *Initial Directors*: The board of directors of AmalCo shall be fixed at six directors, and the initial directors shall be the persons whose names and municipality of residence appear below:

Name	**Municipality of Residence**
David Winter	Calgary, Alberta
Michael Hibberd	Calgary, Alberta
Mike Florence	Calgary, Alberta
Dr. Charle Gamba	Calgary, Alberta
Yogeshwar Sharma	Calgary, Alberta
Luis Vazquez	Calgary, Alberta

(xii) *Initial Officers*: The first officers of AmalCo shall be:

Name and Title	**Municipality of Residence**
David Winter *Chief Executive Officer*	Calgary, Alberta
Roger McMechan *Chief Operating Officer*	Calgary, Alberta
Darren Moulds *Chief Financial Officer*	Calgary, Alberta

and

(xiii) *Initial Auditors*: The first auditors of AmalCo shall be **[•]** LLP. The first auditors of AmalCo shall hold office until the first annual meeting of AmalCo following the Amalgamation or until their successors are elected or appointed.

(j) On the Amalgamation:

(i) the issued and outstanding Horizon Shares and Iskander Shares shall be exchanged for AmalCo Shares or converted into issued and outstanding AmalCo Shares, as set forth below and, following such exchange, the Horizon Shares and the Iskander Shares shall be cancelled:

(A) each Horizon Share held by a Horizon Shareholder shall be exchanged for the Horizon Arrangement Consideration, subject to Article 5 pursuant to which:

(I) such Horizon Shareholder shall cease to be a holder of Horizon Shares and the name of such Horizon Shareholder shall be deemed to be removed from the central securities register of holders of Horizon Shares;

(II) AmalCo shall issue from treasury and cause to be delivered to such holder the AmalCo Shares to which such holder is entitled as aforesaid and the name of such holder shall be added to the central securities register of holders of AmalCo Shares showing such holder as the registered holder of the AmalCo Shares so issued; and

(III) each Horizon Share so exchanged shall be cancelled;

(B) each Iskander Share held by a Iskander Shareholder shall be exchanged for the Iskander Arrangement Consideration, subject to Article 5 pursuant to which:

(I) such Iskander Shareholder shall cease to be a holder of Iskander Shares and the name of such Iskander Shareholder shall be deemed to be removed from the central securities register of holders of Iskander Shares;

(II) AmalCo shall issue from treasury and cause to be delivered to such holder the AmalCo Shares to which such holder is entitled as aforesaid and the name of such holder shall be added to the central securities register of holders of AmalCo Shares showing such holder as the registered holder of the AmalCo Shares so issued; and

(III) each Iskander Share so exchanged shall be cancelled.

3.2 Any transfer of securities pursuant to the Plan of Arrangement shall be free and clear of any Liens, claims, encumbrances, charges, adverse interests or security.

ARTICLE 4
RIGHTS OF DISSENT

4.1 Each registered holder of Horizon Shares shall have the right to dissent with respect to the Arrangement in the manner set forth in Section 191 of the ABCA, as modified by the Interim Order. A Horizon Dissenting Shareholder shall, on the Effective Date, cease to have any rights as a holder of Horizon Shares and shall only be entitled to be paid the fair value of the Horizon Shareholder's Horizon Shares. A Horizon Dissenting Shareholder who is paid the fair value of the holder's Horizon Shares shall be deemed to have transferred the holder's Horizon Shares to Horizon as applicable, for cancellation on the Effective Date. A Horizon Dissenting Shareholder who for any reason is not entitled to be paid the fair value of the holder's Horizon Shares, shall be treated as if the holder had participated in the Arrangement on the same basis as a non-dissenting holder of Horizon Shares. Notwithstanding the provisions of Section 191 of the ABCA, the fair value of the Horizon Shares shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by the Horizon Shareholders at the meeting of Horizon Shareholders to approve the Arrangement; but in no event shall AmalCo be required to recognize such Horizon Dissenting Shareholder as a shareholder of Horizon after the Effective Time and the names of such holders shall be removed from the applicable register of Horizon Shareholders as at the Effective Time. For greater certainty, in addition to any other restrictions in Section 191 of the ABCA, no Person who has voted or instructed a proxyholder to vote their Horizon Shares in favour of the Arrangement shall be entitled to exercise Horizon Dissent Rights with respect to the Arrangement.

4.2 Each registered holder of Iskander Shares shall have the right to dissent with respect to the Arrangement in the manner set forth in Section 191 of the ABCA, as modified by the Interim Order. An Iskander Dissenting Shareholder shall, on the Effective Date, cease to have any rights as a holder of Iskander Shares and shall only be entitled to be paid the fair value of the Iskander Shareholder's Iskander Shares. An Iskander Dissenting Shareholder who is paid the fair value of the holder's Iskander Shares shall be deemed to have transferred the holder's Iskander Shares to Iskander as applicable, for cancellation on the Effective Date. An Iskander Dissenting Shareholder who for any reason is not entitled to be paid the fair value of the holder's Iskander Shares, shall be treated as if the holder had participated in the Arrangement on the same basis as a non-dissenting holder of Iskander Shares. Notwithstanding the provisions of Section 191 of the ABCA, the fair value of the Iskander Shares shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by the applicable Iskander Shareholders at the meeting of Iskander Shareholders to approve the Arrangement; but in no event shall AmalCo be required to recognize such Iskander Dissenting Shareholder as a shareholder of Iskander after the Effective Time and the names of such holders shall be removed from the applicable register of Iskander Shareholders as at the Effective Time. For greater certainty, in addition to any other restrictions in Section 191 of the ABCA, no Person who has voted or instructed a proxyholder to vote their Iskander Shares in favour of the Arrangement shall be entitled to exercise Iskander Dissent Rights with respect to the Arrangement.

4.3 Notwithstanding subsection 191(5) of the ABCA with respect to the written notice setting forth a Horizon Dissenting Shareholder's objection to the Horizon Arrangement Resolution and an Iskander Dissenting Shareholder's objection to the Iskander Arrangement Resolution, such notice must be received in accordance with the Interim Order by no later than 5:00 p.m., Calgary time, on the Business Day which is two Business Days immediately preceding the date of the Horizon Meeting or Iskander Meeting, as applicable (as such meeting may be adjourned or postponed from time to time).

ARTICLE 5
ENTITLEMENT TO SHARE CERTIFICATES AND PAYMENTS

5.1 (a) From and after the Effective Time, certificates formerly representing Horizon Shares will, with respect to Horizon Shareholders, cease to represent such securities and will represent only the right to receive the consideration to which the Horizon Shareholders are entitled in exchange for such Horizon Shares in accordance with the Plan of Arrangement, or as to those held by Horizon Dissenting Shareholders, other than those Horizon Dissenting Shareholders deemed to have participated in the Arrangement pursuant to Article 4, to receive the fair value of the Horizon Shares represented by such certificates.

(b) From and after the Effective Time, certificates formerly representing Iskander Shares will, with respect to Iskander Shareholders, cease to represent such securities and will represent only the right to receive the consideration to which the Iskander Shareholders are entitled in exchange for such Iskander Shares in accordance with the Plan of Arrangement, or as to those held by Iskander Dissenting Shareholders, other than those Iskander Dissenting Shareholders deemed to have participated in the Arrangement pursuant to Article 4, to receive the fair value of the Iskander Shares represented by such certificates.

5.2 (a) AmalCo shall, as soon as practicable following the later of the Effective Date and the date of deposit by a former holder of Horizon Shares acquired by AmalCo under the Arrangement of a duly completed Horizon Letter of Transmittal and the certificates representing such Horizon Shares, either:

(i) forward or cause to be forwarded by first class mail (postage prepaid) to such former Horizon Shareholder at the address specified in the Horizon Letter of Transmittal; or

(ii) if requested by such former Horizon Shareholder in the Horizon Letter of Transmittal, make available or cause to be made available at the Depositary for pick up by such holder,

the certificates representing the number of AmalCo Shares issuable to such former Horizon Shareholder under the Arrangement.

(b) AmalCo shall, as soon as practicable following the later of the Effective Date and the date of deposit by a former holder of Iskander Shares acquired by AmalCo under the Arrangement of a duly completed Iskander Letter of Transmittal and the certificates representing such Iskander Shares, either:

(i) forward or cause to be forwarded by first class mail (postage prepaid) to such former Iskander Shareholder at the address specified in the Iskander Letter of Transmittal; or

(ii) if requested by such former Iskander Shareholder in the Iskander Letter of Transmittal, make available or cause to be made available at the Depositary for pick up by such holder,

the certificates representing the number of AmalCo Shares issuable to such former Iskander Shareholder under the Arrangement.

(c) If any certificate formerly representing Horizon Shares or Iskander Shares which immediately prior to the Effective Time represented an interest in Horizon Shares or Iskander Shares described therein that were exchanged pursuant to Section 3.1 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to have been lost, stolen or destroyed, the Depositary will issue and deliver in exchange for such lost, stolen or destroyed certificate the consideration to which the holder is entitled pursuant to the Arrangement (and any distributions with respect thereto) as determined in accordance with the Arrangement. The Person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond satisfactory to AmalCo and its transfer agent in such form as is satisfactory to AmalCo and such transfer agent or otherwise indemnify Horizon, Iskander, AmalCo and their transfer agent, to the reasonable satisfaction of such parties, against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

(d) All distributions payable with respect to any AmalCo Shares allotted and issued pursuant to this Arrangement for which a certificate has not been issued shall be paid or delivered to the Depositary to be held by the Depositary in trust for the registered holder thereof. All monies received by the Depositary shall be invested by it in interest-bearing trust accounts upon such terms as the Depositary may reasonably deem appropriate. The Depositary shall pay and deliver to any such registered holder, as soon as reasonably practicable after application therefor is made by the registered holder to the Depositary in such form as the Depositary may reasonably require, such distributions and any interest thereon to which such holder, is entitled, net of applicable withholding and other taxes.

(e) Any certificate formerly representing Horizon Shares or Iskander Shares that is not deposited with all other documents as required by the Plan of Arrangement on or before the day that is three years less one day from the Effective Date shall, on such date, cease to represent a right, claim or interest of any kind or nature whatsoever, whether as a securityholder or otherwise and whether against Amalco, Horizon, Iskander, the Depositary or any other Person. On such date the right of the holder of such Horizon Shares or Iskander Shares to receive the certificates representing the AmalCo Shares issuable pursuant to the Arrangement shall terminate. Neither Amalco, Horizon nor Iskander will be liable to any Person in respect of any securities which is forfeited to Horizon or Iskander or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

(f) No fractional AmalCo Shares will be issued in connection with the Arrangement. In the event that a former Horizon Shareholder or Iskander Shareholder would otherwise be entitled to a fractional AmalCo Share hereunder, the number of AmalCo Shares issued to such Horizon Shareholder or Iskander Shareholder, as applicable, shall be rounded up to the next whole number of AmalCo Shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next whole number of AmalCo Shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all Horizon Shares and Iskander Shares registered in the name of or beneficially held by such Horizon Shareholder or Iskander Shareholder as applicable, or his/her/its nominee shall be aggregated.

5.3 Horizon, Iskander, AmalCo and the Depositary shall be entitled to deduct and withhold from any consideration otherwise payable to any Horizon Shareholder or Iskander Shareholder and, for greater certainty, from any amount payable to a Horizon Dissenting Shareholder and/or Iskander Dissenting Shareholder as the case may be under the Plan of Arrangement such amounts as Horizon, Iskander or the Depositary are required or reasonably believe to be required to deduct and withhold from such consideration in accordance with the *Income Tax Act* (Canada) or any provision of any federal, provincial, local or foreign tax law, in each case, as amended. Any such amounts will be deducted and withheld from the consideration payable pursuant to the Plan of Arrangement and shall be treated for all purposes as having been paid to the Horizon Shareholder or Iskander Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Governmental Entity.

ARTICLE 6
FURTHER ASSURANCES

6.1 Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in the Plan of Arrangement without any further act or formality, each of Horizon and Iskander will make, do and execute, or cause to be made, done and executed, any such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

ARTICLE 7
AMENDMENTS

7.1 (a) The Parties may amend, modify and/or supplement the Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that any such amendment, modification or supplement must be: (i) set out in writing;

(ii) approved by all of the Parties; (iii) filed with the Court and, if made following the Meetings, approved by the Court; and (iv) communicated to Horizon Shareholders and Iskander Shareholders, if and as required by the Court.

(b) Any amendment of, modification or supplement to the Plan of Arrangement may be proposed by any Party at any time prior to or at any of the Meetings (provided that the other Parties shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the meeting (other than as may be required under the Interim Order), will become part of the Plan of Arrangement for all purposes.

(c) Any amendment of, modification or supplement to the Plan of Arrangement that is approved by the Court following any meeting will be effective only if it is consented to by each of the Parties (acting reasonably) and, if required by the Court or applicable law, by the Horizon Shareholders or Iskander Shareholders voting in the manner directed by the Court.

(d) The Plan of Arrangement may be amended, modified or supplemented following the Effective Time unilaterally by AmalCo, provided that it concerns a matter that, in the reasonably opinion of AmalCo, is of an administrative nature required to better give effect to the implementation of the Plan of Arrangement and is not adverse to the economic interest of any Horizon Shareholder or Iskander Shareholder.

APPENDIX A
ARTICLES OF AMALCO

Articles of Incorporation
Business Corporations Act
Section 6

1. Name of Corporation

Scion Energy Corp.

2. The classes of shares, and any maximum number of shares that the corporation is authorized to issue:

THE ATTACHED SCHEDULE OF SHARE CAPITAL IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

3. Restrictions on share transfers (if any):

NONE

4. Number, or minimum and maximum number, of directors that the corporation may have:

MINIMUM OF ONE (1); MAXIMUM OF SEVEN (7)

5. Restrictions FROM carrying on a certain business, or TO carrying on a certain business:

NONE

6. Other rules or provisions (if any):

THE ATTACHED SCHEDULE OF OTHER PROVISIONS IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

7. Date authorized by Incorporators: 2016/___/___/
Year/ Month/ Day

Incorporator

Name of Person Authorizing (please print)	Address: (including postal code)
Signature	

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

SCHEDULE OF OTHER PROVISIONS

(a) The board of directors shall consist of such number of directors, being a minimum of one (1) director and a maximum of seven (7) directors, as may from time to time be determined by resolution of the shareholders or, in absence of such resolution, by resolution of the directors;

(b) Subject to the foregoing, the directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed 1/3 of the number of directors who held office at the expiration of the last annual general meeting of the Corporation; and

(c) Meetings of the shareholders may be held at any place within or outside Alberta as determined by the directors from time to time in accordance with applicable corporate legislation and such meetings may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meetings to communicate with each other simultaneously and instantaneously.

SCHEDULE OF SHARE CAPITAL

The Corporation is authorized to issue:

(a) One class of shares, to be designated as "Common Shares", in an unlimited number; and

(b) One class of shares, to be designated as "Preferred Shares", issuable in series, in an unlimited number;

such shares having attached thereto the following rights, privileges, restrictions and conditions:

A. Common Shares

The Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

(i) the right to one vote at all meetings of shareholders of the Corporation, except meetings at which only holders of a specified class of shares are entitled to vote;

(ii) subject to the prior rights and privileges attaching to any other class of shares of the Corporation, the right to receive any dividend declared by the Corporation; and

(iii) subject to the prior rights and privileges attaching to any other class of shares of the Corporation, the right to receive the remaining property and assets of the Corporation upon dissolution.

B. Preferred Shares

The Preferred Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

(i) the Preferred Shares may at any time and from time to time be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be determined by resolution of the directors of the Corporation;

(ii) subject to the provisions of the *Business Corporations Act* (Alberta), the directors of the Corporation may by resolution fix from time to time before the issue thereof the designation, rights, privileges, restrictions and conditions attaching to each series of the Preferred Shares.

APPENDIX B
BY-LAWS OF AMALCO

SCION ENERGY CORP.

BY-LAW NO. 1

INDEX

SCION ENERGY CORP.

BY-LAW NO. 1

A by-law relating generally to the conduct of the business and affairs of SCION ENERGY CORP. (hereinafter called the “Corporation”) is hereby made as follows:

DEFINITIONS

1. In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

(a) “Act” means the *Business Corporations Act* (Alberta) and the regulations made thereunder, as from time to time amended, and in the case of such amendment any reference in the by-laws shall be read as referring to the amended provisions thereof;

(b) “board” means the board of directors of the Corporation;

(c) “by-laws” means this by-law and all other by-laws of the Corporation from time to time in force and effect;

(d) “STA” means the *Securities Transfer Act* (Alberta) and the regulations made thereunder, as from time to time amended, and in the case of such amendment any reference in the by-laws shall be read as referring to the amended provisions thereof;

(e) all terms used in the by-laws that are defined in the Act and are not otherwise defined in the by-laws shall have the meanings given to such terms in the Act;

(f) words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; and

(g) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

REGISTERED OFFICE

2. The Corporation shall at all times have a registered office within Alberta. Subject to subsection (4) of section 20 of the Act, the directors of the Corporation may at any time:

(a) change the address of the registered office within Alberta;

(b) designate, or revoke or change a designation of a records office within Alberta; or

(c) designate, or revoke or change a designation of a post office box within Alberta as the address for service by mail of the Corporation.

SEAL

The directors may by resolution from time to time adopt and change a corporate seal of the Corporation.

DIRECTORS

4. Number. Subject to section 101(2) of the Act, the number of directors shall be the number fixed by the articles, or where the articles specify a variable number, the number shall be not less than the minimum and not more than the maximum number so specified and shall be determined from time to time within such limits by the shareholders or the board. At least one-quarter of the directors, or such other number of directors (if any) as may be prescribed by the Act from time to time, shall be resident Canadians.

5. Vacancies. Subject to section 111 of the Act, a quorum of directors may fill a vacancy among the directors, except a vacancy resulting from an increase in the number or minimum number of directors or from a failure to elect the number or minimum number of directors required by the articles except as provided in section 106(4) of the Act. If there is not a quorum of directors, or if there has been a failure to elect the number or minimum number of directors required by the articles, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

A director appointed or elected to fill a vacancy holds office for the unexpired term of his or her predecessor.

6. Powers. The directors shall manage, or supervise the management of, the business and affairs of the Corporation and may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not expressly directed or required to be done in some other manner by the Act, the articles, the by-laws, any special resolution of the shareholders of the Corporation or by statute.

7. Duties. Every director and officer of the Corporation in exercising his or her powers and discharging his or her duties shall:

(a) act honestly and in good faith with a view to the best interests of the Corporation; and

(b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

8. Qualification. The following persons are disqualified from being a director of the Corporation:

(a) anyone who is less than 18 years of age;

(b) anyone who

  (i) is a represented adult as defined in the Adult Guardianship and Trustee Act (Alberta) or is the subject of a certificate of incapacity that is in effect under the Public Trustee Act (Alberta),

  (ii) is a formal patient as defined in the Mental Health Act (Alberta),

  (iii) is the subject of an order under The Mentally Incapacitated Persons Act (Alberta) appointing a committee of the person or estate or both, or

  (iv) has been found to be a person of unsound mind by a court elsewhere than in Alberta;

(c) a person who is not an individual; and

(d) a person who has the status of bankrupt.

9. Term of Office. A director's term of office (subject to any applicable provisions of the Corporation's articles and subject to the election of such director for an expressly stated term) shall be from the date such director is elected or appointed until the close of the first annual meeting of shareholders following such director's election or appointment or until a successor to such director is elected or appointed.

10. Election. Subject to sections 106 and 107 of the Act, the shareholders of the Corporation shall at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required, elect directors to hold office for a term expiring not later than the close of the next annual meeting of shareholders following the election. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his or her election but, if qualified, is eligible for re-election. Notwithstanding the foregoing, if directors are not elected at a meeting of shareholders, the incumbent directors continue in office until their successors are elected.

If a meeting of shareholders fails to elect the number or the minimum number of directors required by the articles by reason of the disqualification or death of any candidate, the directors elected at that meeting may exercise all the powers of the directors if the number of directors so elected constitutes a quorum.

11. Advance Notice of Nomination of Directors. Subject only to the Act and the articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which such special meeting was called was the election of directors: (a) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or (c) by any person (a "Nominating Shareholder") (i) who, at the close of business on the date of the giving of the notice provided for

below in this Paragraph 11 and on the record date for the notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting, or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set forth below in this Paragraph 11.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the registered office of the Corporation in accordance with this Paragraph 11.

To be timely, a Nominating Shareholder’s notice to the Secretary of the Corporation must be given: (a) in the case of an annual meeting of shareholders, not less than 30, nor more than 65, days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “Notice Date”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above.

To be in proper written form, a Nominating Shareholder’s notice to the Secretary of the Corporation must set forth: (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (i) the name, age, business address and residential address of the person, (ii) the principal occupation, business or employment of the person for the most recent five years including, without limitation, the name and principal business of any company in which any such employment is carried on, (iii) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (iv) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for the election of directors pursuant to the Act and Applicable Securities Laws and (v) a personal information form in the form prescribed by the principal stock exchange on which the securities of the Corporation are listed for trading; and (b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any securities of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder’s understanding of the independence, or lack thereof, of such proposed nominee.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Paragraph 11; provided, however that nothing in this Paragraph 11 shall be deemed to preclude discussions by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

For purposes of this Paragraph 11: (a) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada; and (b) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each province and territory of Canada.

Notwithstanding anything to the contrary in the by-laws, notice given to the Secretary of the Corporation pursuant to this Paragraph 11 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Corporation for the purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary of the Corporation at the address of the registered office of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Paragraph 11,

12. Consent to Election. A person who is elected or appointed as a director is not a director unless such person was present at the meeting when the person was elected or appointed and did not refuse to act as a director or, if the person was not present at the meeting when the person was elected or appointed, the person consented to act as a director in writing before the person's election or appointment or within 10 days after it or the person has acted as a director pursuant to the election or appointment.

13. Removal. Subject to sections 107 and 109 of the Act, the shareholders of the Corporation may by ordinary resolution at a special meeting remove any director from office before the expiration of his or her term of office and may, subject to the Act, elect any person in his or her stead for the remainder of the director's term.

14. Vacation of Office. A director of the Corporation ceases to hold office when:

(a) the director dies or resigns;

(b) the director is removed from office; or

(c) the director becomes disqualified under section 105(1) of the Act.

A resignation of a director becomes effective at the time a written resignation is sent to the Corporation, or at the time specified in the resignation, whichever is later, and once accepted by the Chairman of the Board.

15. Validity of Acts. An act of a director or officer is valid notwithstanding an irregularity in the director's or officer's election or appointment or a defect in the director's or officer's qualification. An act of the directors or a committee of directors is valid notwithstanding noncompliance with the residency requirements (if any) set out in Paragraphs 4, 22 or 24 hereof.

MEETINGS OF DIRECTORS

16. Place of Meeting. Unless the articles otherwise provide, meetings of directors and of any committee of directors may be held at any place. A meeting of directors may be convened by the Chairman of the Board (if any), Lead Director of the Board (if any), the President (if any) or any director at any time and the Secretary (if any) or any other officer or any director shall, as soon as reasonably practicable following receipt of a direction from any of the foregoing, send a notice of the applicable meeting to the directors.

17. Notice. Notice of the time and place for the holding of any meeting of directors or of any committee of directors shall be sent to each director or each director who is a member of such committee, as the case may be, not less than twenty-four (24) hours before the time of the meeting; provided that a meeting of directors or of any committee of directors may be held at any time without notice if all the directors or members of such committee are present (except where a director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all the absent directors waive notice of the meeting. The notice of a meeting of directors shall specify any matter referred to in subsection (3) of section 115 of the Act that is to be dealt with at the meeting, but need not specify the purpose or the business to be transacted at the meeting.

For the first meeting of directors to be held following the election of directors at an annual or special meeting of the shareholders or for a meeting of directors at which a director is appointed to fill a vacancy in the board, no notice of such meeting need be given to the newly elected or appointed director or directors in order for the meeting to be duly constituted, provided a quorum of the directors is present.

18. Waiver of Notice. Notice of any meeting of directors or of any committee of directors or the time for the giving of any such notice or any irregularity in any meeting or in the notice thereof may be waived by any director in writing or by facsimile or electronic mail addressed to the Corporation or in any other manner, and any such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance of a director at any meeting of directors or of any committee of directors is a waiver of notice of such meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

19. Omission of Notice. The accidental omission to give notice of any meeting of directors or of any committee of directors to or the non-receipt of any notice by any person shall not invalidate any resolution passed or any proceeding taken at such meeting.

20. Electronic, Telephone Participation Etc. A director may participate in a meeting of directors or of any committee of directors by electronic means, telephone or other communication facilities that permit all persons participating in the meeting to hear each other, and a director participating in a meeting by any such means is deemed for the purposes of the Act and this by-law to be present at that meeting.

21. Adjournment. Any meeting of directors or of any committee of directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place. Notice of an adjourned meeting of directors or committee of directors is not required to be given if the date, time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at the adjourned meeting that might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

22. Quorum and Voting. Subject to the articles, a majority of the number of directors constitutes a quorum at any meeting of directors and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of the directors. Subject to section 111 of the Act, subsections (3) and (4) of section 114 of the Act and Paragraph 5 hereof, directors shall not transact business at a meeting of directors unless a quorum is present and at least one-quarter of the directors present (or such other number of directors, if any, as may be prescribed by the Act from time to time) are resident Canadians. Questions arising at any meeting of directors shall be decided by a majority of votes. in the case of an equality of votes, the chairman of the meeting shall not have a second or casting vote in addition to his or her original vote.

23. Resolution in Lieu of Meeting. Subject to the articles, a resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors, is as valid as if it had been passed at a meeting of directors or committee of directors. A resolution in writing dealing with all matters required by the Act or this by-law to be dealt with at a meeting of directors, and signed by all the directors entitled to vote at that meeting, satisfies all the requirements of the Act and this by-law relating to meetings of directors.

COMMITTEES OF DIRECTORS

24. General. The directors may from time to time appoint from their number a managing director, who must be a resident Canadian, or a committee of directors, at least one-quarter of whom (or such other number, if any, as may be prescribed by the Act from time to time) shall be resident Canadians, and may delegate to the managing director or such committee any of the powers of the directors, except that (unless the Act otherwise permits) no managing director or committee shall have the authority to:

(a) submit to the shareholders any question or matter requiring the approval of the shareholders;

(b) fill a vacancy among the directors or in the office of auditor;

(c) appoint additional directors;

(d) issue securities except in the manner and on the terms authorized by the directors;

(e) declare dividends;

(f) purchase, redeem or otherwise acquire shares issued by the Corporation, except in the manner and on the terms authorized by the directors;

(g) pay a commission referred to in section 42 of the Act;

(h) approve a management proxy circular;

(i) approve any financial statements referred to in section 155 of the Act;

(j) adopt, amend or repeal by-laws of the Corporation; or

(k) exercise any other power which under the Act a committee of directors has no authority to exercise.

25. Audit Committee. Subject to and in accordance with section 171(3) of the Act, the directors may appoint annually from among their number an audit committee.

Each member of the audit committee shall serve during the pleasure of the board and, in any event, only so long as such member shall be a director. The directors may fill vacancies in the audit committee by election from among their number.

The audit committee shall have power to fix its quorum at not less than a majority of its members and to determine its own rules of procedure subject to any requirements imposed by the board from time to time and to the following paragraph.

The auditor of the Corporation is entitled to receive notice of every meeting of the audit committee and, at the expense of the Corporation, to attend and be heard thereat, and, if so requested by a member of the audit committee, shall attend every meeting of the committee held during the term of office of the auditor. The auditor of the Corporation or any member of the audit committee may call a meeting of the audit committee.

The audit committee shall review the financial statements of the Corporation referred to in section 155 of the Act prior to approval thereof by the board and shall have such other powers and duties as may from time to time by resolution be assigned to it by the board.

REMUNERATION OF DIRECTORS, OFFICERS AND EMPLOYEES

26. Subject to the articles, the directors of the Corporation may fix the remuneration of the directors, officers and employees of the Corporation. Any remuneration paid to a director of the Corporation shall be in addition to the salary paid to such director in his or her capacity as an officer or employee of the Corporation. The directors may also by resolution award special remuneration to any director in undertaking any special services on the Corporation's behalf other than the routine work ordinarily required of a director of the Corporation. The confirmation of any such resolution by the shareholders shall not be required. The directors, officers and employees shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Corporation.

If required by the Act, the aggregate remuneration paid to the directors and the aggregate remuneration paid to the five highest paid officers and employees, other than directors, shall be disclosed to the shareholders at every annual meeting, in the management proxy circular forwarded to shareholders in advance of an annual meeting, the financial statements placed before the shareholders, a statement of remuneration or in such other manner as the chairman of the meeting may determine.

SUBMISSION OF CONTRACTS OR TRANSACTIONS TO SHAREHOLDERS FOR APPROVAL

27. The directors in their discretion may .submit any contract, act or transaction for approval, ratification or confirmation at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved, ratified or confirmed by resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or other applicable law or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified and/or confirmed by every shareholder of the Corporation.

CONFLICT OF INTEREST

28. A director or officer of the Corporation who is a party to a material contract or material transaction or proposed material contract or proposed material transaction with the Corporation, or is a director or an officer of or has a material interest in any person who is a party to a material contract or material transaction or proposed material contract or proposed material transaction with the Corporation shall disclose the nature and extent of such director's or officer's interest at the time and in the manner provided in the Act. Except as permitted by the Act, no such director of the Corporation shall vote on any resolution to approve such contract or transaction. If a material contract or material transaction is made or entered into between the Corporation and one Or more of its directors or officers, or between the Corporation and another person of which a director or officer of the Corporation is a director or officer or in which such director or officer has a material interest, (i) the contract or transaction is, subject to the Act, neither void nor voidable by reason only of that relationship, or by reason only that a director with an interest in the contract or transaction is present at or is counted to determine the presence of a quorum at a meeting of directors or committee of directors that authorized the contract or transaction, and (ii) a director or officer or former director or officer of the Corporation to whom a profit accrues as a

result of the making of the contract or transaction is not liable to account to the Corporation for that profit by reason only of holding office as a director or officer, if the director or officer disclosed the interest in accordance with the provisions of the Act and the contract was approved by the directors or the shareholders and it was reasonable and fair to the Corporation at the time it was approved.

Even if the conditions set out above in this Paragraph 28 are not met, a director or officer acting honestly and in good faith is not accountable to the Corporation or to its shareholders for any profit realized from a material contract or material transaction for which disclosure is required under this Paragraph 28 and the material contract or material transaction is not void or voidable by reason only of the interest of the director or officer in the material contract or material transaction, if (i) the material contract or material transaction was approved or confirmed by special resolution at a meeting of the shareholders of the Corporation; (ii) disclosure of the interest was made to the shareholders in a manner sufficient to indicate its nature before the material contract or material transaction was approved or confirmed; and (iii) the material contract or material transaction was reasonable and fair to the Corporation when it was approved or confirmed.

FOR THE PROTECTION OF DIRECTORS AND OFFICERS

29. No director or officer of the Corporation shall be liable to the Corporation for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation including any person, firm or corporation with whom or which any monies, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any monies, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever that may happen in the execution of the duties of such director's or officer's respective office of trust or in relation thereto, unless the same shall happen by or through the director's or officer's failure to exercise the powers and to discharge the duties of office honestly, in good faith with a view to the best interests of the Corporation, and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, provided that nothing herein contained shall relieve a director or officer from the duty to act in accordance with the Act or relieve such director or officer from liability under the Act. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact that the director or officer is a shareholder, director or officer of the Corporation or body corporate or member of the firm shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

INDEMNITIES TO DIRECTORS AND OTHERS

30. (1) The Corporation shall indemnify a director or officer, a former director or officer or any other individual permitted by the Act to be so indemnified in the manner and to the fullest extent permitted by the Act. Without limiting the generality of the foregoing, subject to section 124 of the Act, except in respect of an action by or on behalf of the Corporation or body corporate to procure a judgment in its favour, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor (or, if permitted by the Act, of another entity or an individual acting in a similar capacity of another entity) and the director's or officer's (or, if permitted by the Act, such individual's) heirs and legal representatives, against all costs, charges and expenses, including costs incurred in the defence of an action or proceeding and an amount paid to settle an action or satisfy a judgment, reasonably incurred by such director or officer in respect of any civil, criminal or administrative action or proceeding (or, if permitted by the Act, any investigative action or proceeding) to which the director or officer (or, if permitted by the Act, such individual) is made a party (or, if permitted by the Act, is otherwise involved) by reason of being or having been a director or officer of the Corporation or body corporate (or, if permitted by the Act, is otherwise involved because of that association with the Corporation or other entity), if:

(a) the director or officer (or, if permitted by the Act, such individual) acted honestly and in good faith with a view to the best interests of the Corporation (or, if permitted by the Act, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request); and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the director or officer (or, if permitted by the Act, such individual) had reasonable grounds for believing that the director's or officer's (or, if permitted by the Act, such individual's) conduct was lawful,

(2) The Corporation shall, subject to the approval of a Court (as defined in the Act), indemnify a person referred to in Paragraph 30(1) hereof in respect of an action by or on behalf of the Corporation or a body corporate (or, if permitted by the Act, other entity) to procure a judgment in its favour, to which such person is made a party by reason of being or having been a director or an officer of the Corporation or body corporate (or, if permitted by the Act, because of the person's association with the Corporation or other entity as described in Paragraph 30(1)), against all costs, charges and expenses reasonably incurred by the person in connection with such action if such person fulfills the conditions set out in Paragraph (a) and (b) hereof

(3) The Corporation shall advance funds to a person in order to defray the costs, charges and expenses of a proceeding referred to above in this Paragraph 30, but if the person does not meet the conditions set out in the Act, he or she shall repay the funds advanced.

(4) The Corporation may purchase and maintain insurance for the benefit of any person referred to in Paragraph 30(1) to the extent permitted by the Act.

OFFICERS

31. Appointment of Officers. Subject to the articles, the directors annually or as often as may be required may appoint from among themselves a Chairman of the Board (either on a full-time or part-time basis) and may appoint a President, one or more Vice-Presidents (which Vice-Presidents shall not be considered officers of the Corporation unless designated by the board and to which title may be added words indicating seniority or function), a Secretary, a Treasurer and one or more assistants to any of the officers so appointed. None of such officers except the Chairman of the Board needs to be a director of the Corporation although a director may be appointed to any office of the Corporation. Two or more offices of the Corporation may be held by the same person. The directors may from time to time appoint such other officers, employees and agents as they shall deem necessary who shall have such authority and shall perform such functions and duties as may from time to time be prescribed by resolution of the directors. The directors may from time to time and subject to the provisions of the Act, vary, add to or limit the duties and powers of any officer, employee or agent.

32. Removal of Officers and Vacation of Office. Subject to the articles, all officers, employees and agents shall be subject to removal by resolution of the directors at any time, with or without cause.

An officer of the Corporation ceases to hold office when such officer dies, resigns or is removed from office. A resignation of an officer becomes effective at the time a written resignation is sent to the Corporation, or at the time specified in the resignation, whichever is later

33. Vacancies. If the office of Chairman of the Board, President, Secretary, or any other office created by the directors pursuant to Paragraph 31 hereof shall be or become vacant by reason of death, resignation, removal from office or in any other manner whatsoever, the directors may appoint an individual to fill such vacancy.

34. Chairman of the Board. The Chairman of the Board (if any) shall, if present, preside as chairman at all meetings of the board and at all meetings of the shareholders of the Corporation. The Chairman of the Board shall sign such contracts, documents or instruments in writing as require his or her signature and shall have such other powers and shall perform such other duties as may from time to time be assigned to him or her by resolution of the directors.

35. Lead Director. If the Chairman of the Board is not independent (as determined by the Board), the Board may create the position of Lead Director and allocate to the Lead Director such responsibilities as the Board may determine by resolution.

36. President. The President (if any) shall, unless otherwise determined by resolution of the board, be the chief executive officer of the Corporation and shall, subject to the direction of the board, exercise general supervision and control over the business and affairs of the Corporation. In the absence of the Chairman of the Board (if any), and if the President is also a director of the Corporation, the President shall, when present, preside as chairman at all meetings of directors and the shareholders of the Corporation. The President shall sign such contracts, documents or instruments in writing as require his or her signature and shall have such other powers and shall perform such other duties as may from time to time be assigned to him or her by resolution of the directors or as are incident to his or her office.

37. Secretary. Unless another officer has been appointed for that purpose, the Secretary (if any) shall give or cause to be given notices for all meetings of directors, any committee of directors and shareholders when directed to do so and shall, subject to the provisions of the Act, maintain the records referred to in subsections (1), (3) and (5) of section 21 of the Act. The Secretary shall sign such contracts, documents or instruments in writing as require the signature of the Secretary and shall have such other powers and shall perform such other duties as may from time to time be assigned to the Secretary by resolution of the directors or as are incident to the office of the Secretary.

38. Managing Director. The Managing Director (if any) shall conform to all lawful orders given to him or her by the directors and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation.

39. Duties of Officers may be Delegated. In case of the absence or inability or refusal to act of any officer of the Corporation or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

40. Agents and Attorneys. The Corporation shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to subdelegate) of management, administration or otherwise as may be thought fit.

SHAREHOLDERS' MEETINGS

41. Annual Meeting. Subject to sections 131 and 132 of the Act, the annual meeting of shareholders shall be held at such place within Alberta (or outside Alberta if the articles so provide or if all the shareholders entitled to vote at that meeting so agree) determined by the directors on such day in each year and at such time as the directors may determine.

42. Special Meetings. The directors of the Corporation may at any time call a special meeting of shareholders to be held on such day and at such time and, subject to section 131 of the Act, at such place within Alberta as the directors may determine or, if provided for in the articles, in such other place as the directors may determine.

43. Meeting on Requisition of Shareholders . The registered holders or beneficial owners of not less than five percent (5%) of the issued shares of the Corporation that carry the right to vote at a meeting sought to be held may requisition the directors to call a meeting of shareholders for the purposes stated in the requisition. The requisition shall state the business to be transacted at the meeting and shall be sent to each director and to the registered office of the Corporation. Subject to subsection (3) of section 142 of the Act, upon receipt of the requisition, the directors shall call a meeting of shareholders to transact the business stated in the requisition. If the directors do not within twenty-one days after receiving the requisition call a meeting, any registered or beneficial shareholder who signed the requisition may call the meeting.

44. Participation in Meetings by Electronic Means. Subject to the Act, a shareholder or any other person entitled to attend a meeting of shareholders may participate in the meeting by electronic means, telephone or other communication facilities that permit all persons participating in the meeting to hear or otherwise communicate with each other and a person

participating in such a meeting by any such means is deemed for the purposes of the Act and this by-law to be present at the meeting.

45. Meetings held by Electronic Means. If the directors or the shareholders call a meeting of shareholders, the directors or the shareholders that called the meeting may determine that the meeting shall be held, in accordance with the Act, entirely by electronic means, telephone or other communication facility that permits all participants to communicate adequately with each other during the meeting.

46. Notice. A notice in writing of a meeting of shareholders stating the day, hour and place of meeting and if special business is to be transacted thereat, stating (i) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment on that business and (ii) the text of any special resolution to be submitted to the meeting, shall be sent to each shareholder entitled to vote at the meeting, who on the record date for notice is registered on the records of the Corporation or its transfer agent as a shareholder, to each director of the Corporation and to the auditor of the Corporation not less than 21 days and not more than 50 days (exclusive of the day of mailing and of the day for which notice is given) before the date of the meeting;

47. Waiver of Notice. Notice of any meeting of shareholders or the time for the giving of any such notice or any irregularity in any meeting or in the notice thereof may be waived by any shareholder, the duly appointed proxy of any shareholder, any director or the auditor of the Corporation in writing or by facsimile or other form of recorded electronic transmission addressed to the Corporation or in any other manner, and any such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance of a shareholder or any other person entitled to attend a meeting of shareholders is a waiver of notice of such meeting, except when he or she attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

48. Omission of Notice. The accidental omission to give notice of any meeting of shareholders to or the non-receipt of any notice by any person shall not invalidate any resolution passed or any proceeding taken at any such meeting.

49. Record Dates. The directors may fix in advance a date as the record date for the determination of shareholders (i) entitled to receive payment of a dividend, (ii) entitled to participate in a liquidation distribution or (iii) for any other purpose except the right to receive notice of or to vote at a meeting of shareholders, but such record date shall not precede by more than 50 days the particular action to be taken.

The directors may also fix in advance a date as the record date for the determination of shareholders entitled to receive notice of or to vote at a meeting of shareholders, but such record date shall not precede by more than 50 days or by less than 21 days the date on which the meeting is to be held.

If no record date is fixed,

(a) the record date for the determination of shareholders entitled to receive notice of or to vote at a meeting of shareholders shall be

(i) at the close of business on the last business day preceding the day on which the notice is sent; or

(ii) if no notice is sent, the day on which the meeting is held; and

(b) the record date for the determination of shareholders for any purpose other than to establish a shareholder's right to receive notice of a meeting or to vote shall be at the close of business on the day on which the directors pass the resolution relating to that purpose.

50. Chairman of the Meeting. In the absence of the Chairman of the Board (if any), the President (if any) and any Vice-President (who is a director), the shareholders present and entitled to vote shall elect a director of the Corporation as chairman of the meeting and if no director is present or if all the directors present decline to take the chair then the shareholders present shall elect one of their number to be chairman.

51. Votes. Votes at meetings of shareholders may be cast either personally or by proxy. Subject to the Act and Paragraph 52, every question submitted to any meeting of shareholders shall be decided on a show of hands, except when a ballot is required by the chairman of the meeting or is demanded by a shareholder or proxyholder entitled to vote at the meeting or is otherwise required by the Act. A shareholder or proxyholder may demand a ballot either before or on the declaration of the result of any vote by show of hands. At every meeting at which shareholders are entitled to vote, each shareholder present in person and every proxyholder shall have one vote on a show of hands. Upon any ballot on which shareholders are entitled to vote, each shareholder present in person or by proxy shall (subject to the provisions, if any, of the articles) have one vote for every share registered in the name of such shareholder. In the case of an equality of votes the chairman of the meeting shall not, either on a show of hands or on a ballot, have a second or casting vote in addition to the vote or votes to which he or she may be entitled as a shareholder or proxyholder.

At any meeting, unless a ballot is demanded, an entry in the minutes for the applicable meeting, following a vote on the applicable resolution by a show of hands, that a resolution was carried or defeated is sufficient proof of the results of the vote, and no record need be kept of the number or proportion of votes for or against the resolution, although the chairman may direct that a record be kept of the number or proportion of votes for or against the resolution for any purpose the chairman of the meeting considers appropriate.

If at any meeting a ballot is demanded on the election of a chairman or on the question of adjournment or termination, the ballot shall be taken forthwith without adjournment. If a ballot is demanded on any other question or as to the election of directors, the ballot shall be taken in such manner and either at once or later at the meeting or after adjournment as the chairman of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

52. Electronic Voting. Any person participating in a meeting of shareholders by electronic means, telephone or other communication facilities under Paragraph 44 and entitled to vote at the meeting may vote, in accordance with the Act, by electronic means, telephone or other communication facility that the Corporation has made available for that purpose.

Notwithstanding Paragraph 51, any vote referred to in Paragraph 51 may be held, in accordance with the Act, entirely by electronic means, telephone or other communication facility, if the Corporation makes available such a communication facility, in accordance with the Act.

53. Right to Vote. Subject to section 139 of the Act or unless the articles otherwise provide, each share of the Corporation entitles the holder of such share to one vote at a meeting of shareholders.

Where a body corporate or a trust, association or other unincorporated organization is a shareholder of the Corporation, any individual authorized by a resolution of the directors of the body corporate or the directors, trustees or other governing body of the association, trust or other unincorporated organization, to represent it at meetings of shareholders of the Corporation shall be recognized as the person entitled to vote at all such meetings of shareholders in respect of the shares held by such body corporate or by such trust, association or other unincorporated organization and the chairman of the meeting may establish or adopt rules or procedures in relation to the recognition of a person to so vote shares held by such body corporate or by such trust, association or other unincorporated organization.

Where a person holds shares as a personal representative, such person or his or her proxy is the person entitled to vote at all meetings of shareholders in respect of the shares so held by him or her, and the chairman of the meeting may establish or adopt rules or procedures in relation to the recognition of such person to vote the shares in respect of which such person has been appointed as a personal representative.

Where a person mortgages, pledges or hypothecates his or her shares, such person or such person's proxy is the person entitled to vote at all meetings of shareholders in respect of such shares so long as such person remains the registered owner of such shares unless, in the instrument creating the mortgage, pledge or hypothec, the person has expressly empowered the person holding the mortgage, pledge or hypothec to vote in respect of such shares, in which case, subject to the articles, such holder or such holder's proxy is the person entitled to vote in respect of the shares and the chairman of the meeting may establish or adopt rules or procedures in relation to the recognition of the person holding the mortgage, pledge or hypothec as the person entitled to vote in respect of the applicable shares.

Where two or more persons hold shares jointly, one of those holders present at a meeting of shareholders may in the absence of the others vote the shares, but if two or more of those persons who are present, in person or by proxy, vote, they shall vote as one on the shares jointly held by them and the chairman of the meeting may establish or adopt rules or procedures in that regard.

54. Proxies. Every shareholder, including a shareholder that is a body corporate, or a trust, association or other unincorporated organization, entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder and one or more alternate proxyholders, who are not required to be shareholders, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy.

An instrument appointing a proxyholder shall be in written or printed form and shall be executed by the shareholder or by such shareholder's attorney authorized in writing and is valid only at the meeting in respect of which it is given or any adjournment of that meeting. An instrument appointing a proxyholder may be in any form which complies with the requirements of the Act.

The directors may specify in a notice calling a meeting of shareholders a time not exceeding forty-eight (48) hours, excluding Saturdays, Sundays and holidays, preceding the meeting or an adjournment of the meeting before which time proxies to be used at the meeting must be deposited with the Corporation or its agent.

The chairman shall conduct the proceedings at the meeting and the chairman's decision in any matter or thing, including, without limitation, any question regarding the validity or invalidity of any instruments of proxy and any question as to the admission or rejection of a vote, shall be conclusive and binding upon the shareholders.

55. Adjournment. The chairman of the meeting may with the consent of the meeting adjourn any meeting of shareholders from time to time to a fixed time and place and if the meeting is adjourned by one or more adjournments for an aggregate of less than thirty (30) days it is not necessary to give notice of the adjourned meeting other than by announcement at the time of an adjournment. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given as for an original meeting but, unless the meeting is adjourned by one or more adjournments for an aggregate of more than ninety (90) days, subsection (1) of section 149 of the Act does not apply.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at the adjourned meeting that might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

56. Quorum. Two (2) persons present and each holding or representing by proxy at least twenty-five percent of the shares entitled to vote at the meeting shall be a quorum. If a quorum is present at the opening of a meeting of shareholders, the shareholders present may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of any meeting of shareholders, the shareholders present may adjourn the meeting to a fixed time and place but may not transact any other business.

Notwithstanding the foregoing, if the Corporation has only one shareholder, or one shareholder holding a majority of the shares entitled to vote at the meeting, that shareholder present in person or by proxy constitutes a meeting and a quorum for such meeting.

57. Persons Entitled to be Present. The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

58. Resolution in Lieu of Meeting. A resolution in writing signed by all the shareholders entitled to vote on that resolution is as valid as if it had been passed at a meeting of the shareholders. A resolution in writing dealing with all matters required by the Act or this by-law to be dealt with at a meeting of shareholders, and signed by all the shareholders entitled to vote at that meeting, satisfies all the requirements of the Act or this by-law relating to meetings of shareholders.

SHARES AND TRANSFERS

59. Issuance. Subject to the articles and to section 30 of the Act, shares in the Corporation may be issued at the times and to the persons and for the consideration that the directors determine; provided that a share shall not be issued until the consideration for the share is fully paid in money or in property or past service that is not less in value than the fair equivalent of the money that the Corporation would have received if the share had been issued for money.

60. Security Certificates. Security certificates (if any) shall (subject to compliance with section 48 of the Act) be in such form as the directors may from time to time by resolution approve and such certificates shall be signed by at least one director or officer of the Corporation or by or on behalf of a registrar, transfer agent or branch transfer agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture. Any signatures required on a security certificate may be printed or otherwise mechanically reproduced on it. If a security certificate contains a printed or mechanically reproduced signature of a person, the Corporation may issue the security certificate, notwithstanding that the person has ceased to be a director or an officer of the Corporation, and the security certificate is as valid as if he or she were a director or an officer at the date of its issue.

61. Agent. The directors may from time to time by resolution appoint or remove (i) one or more trust corporations registered under the Loan and Trust Corporations Act (Alberta) as its agent or agents to maintain a central securities register or registers or (ii) an agent or agents to maintain a branch securities register or registers for the Corporation.

62. Dealings with Registered Holder. Subject to the Act, the STA, the Civil Enforcement Act (Alberta) and this by-law, the Corporation may treat the registered owner of a security as the person exclusively entitled to vote, to receive notices, to receive any interest, dividend or other payments in respect of the security, and otherwise to exercise all the rights and powers of an owner of the security.

63. Registration of Transfers. Subject to the Act and the STA, no transfer of a security shall be registered in a securities register except (i) upon presentation of the certificate (or, where applicable, other evidence of electronic, book-based, direct registration service or other non-certificated entry or position on the register of securityholders) representing such security with an endorsement or completed stock power of attorney which complies with the STA made thereon or delivered therewith duly executed by an appropriate person as provided by the STA, together with such reasonable assurance that the endorsement is genuine and authorized as the board or the Corporation's transfer agent may from time to time prescribe, (ii) upon payment of all applicable taxes and any reasonable fees prescribed by the board, (iii) upon compliance with such restrictions on transfer as are imposed by statute or the articles of the Corporation, (iv) upon satisfaction of any lien referred to in Paragraph 65, and (v) upon compliance with and

satisfaction of such other requirements as the Corporation or its transfer agent may reasonably impose.

64. Defaced, Destroyed, Stolen or Lost Security Certificates. In case of the defacement, destruction, theft or loss of a security certificate, the fact of such defacement, destruction, theft or loss shall be reported by the owner to the Corporation or to an agent of the Corporation (if any), on behalf of the Corporation, with a statement verified by oath or statutory declaration as to the defacement, destruction, theft or loss and the circumstances concerning the same and with a request for the issuance of a new security certificate to replace the one so defaced (together with the surrender of the defaced security certificate), destroyed, stolen or lost. Upon the giving to the Corporation (or if there be an agent, hereinafter in this paragraph referred to as the "Corporation's agent", then to the Corporation and the Corporation's agent) of a bond of a surety company (or other security approved by the directors) in such form as is approved by the directors or by any officer of the Corporation, indemnifying the Corporation (and the Corporation's agent if any) against all loss, damage or expense, which the Corporation and/or the Corporation's agent may suffer or be liable for by reason of the issuance of a new security certificate to such owner, and subject to compliance by such owner and the Corporation with sections 92 and 93 of the STA, a new security certificate shall be issued in replacement of the one defaced, destroyed, stolen or lost, and such issuance may be ordered and authorized by any officer or by the directors.

65. Enforcement of Lien for Indebtedness. Subject to section 66 of the STA, if the articles of the Corporation provide that the Corporation has a lien on the shares registered in the name of a shareholder or such shareholder's legal representative for a debt of that shareholder to the Corporation, such lien may be enforced by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares. No such sale shall be made until such time as the debt ought to be paid and until a demand and notice in writing stating the amount due and demanding payment and giving notice of intention to sell on default shall have been served on the holder or such shareholder's legal representative of the shares subject to the lien and default shall have been made in payment of such debt for seven days after service of such notice. Upon any such sale, the proceeds shall be applied, firstly, in payment of all costs of such sale, and, secondly, in satisfaction of such debt and the residue (if any) shall be paid to such shareholder or such shareholder's legal representative or as such shareholder shall direct, Upon any such sale, the directors may enter or cause to be entered the purchaser's name in the securities register of the Corporation as holder of the shares, and the purchaser shall not be bound to see to the regularity or validity of, or be affected by, any irregularity or invalidity in the proceedings, or be bound to see to the application of the purchase money, and after the purchaser's name or the name of the purchaser's legal representative has been entered in the securities register, the regularity and validity of the sale shall not be impeached by any person.

66. Electronic, Book-Based or Other Non-Certificated Registered Positions. For greater certainty but subject to subsection (1) of section 48 of the Act, a registered securityholder may have his holdings of securities of the Corporation evidenced by an electronic, book-based, direct registration service or other non-certificated entry or position on the register of securityholders to be kept by the Corporation in place of a physical security certificate pursuant to a registration

system that may be adopted by the Corporation, in conjunction with its transfer agent (if any). This by-law shall be read such that a registered holder of securities of the Corporation pursuant to any such electronic, book-based, direct registration service or other non-certificated entry or position shall be entitled to all of the same benefits, rights, entitlements and shall incur the same duties and obligations as a registered holder of securities evidenced by a physical security certificate. The Corporation and its transfer agent may adopt such policies and procedures and require such documents and evidence as they may determine necessary or desirable in order to facilitate the adoption and maintenance of a security registration system by electronic, book-based, direct registration system or other non-certificated means.

DIVIDENDS

67. Dividends. The directors may from time to time by resolution declare and the Corporation may pay dividends on its issued shares, subject to the provisions (if any) of the Corporation's articles.

The directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that:

(a) the Corporation is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

The Corporation may pay a dividend by issuing fully paid shares of the Corporation and, subject to section 43 of the Act, the Corporation may pay a dividend in money or property.

68. Joint Shareholders. In case several persons are registered as the joint holders of any securities of the Corporation, any one of such persons may give effectual receipts for all dividends and payments on account of dividends, principal, interest and/or redemption payments in respect of such securities.

69. Dividend Payments. A dividend payable in money shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at the recorded address of such registered holder, or, paid by electronic funds transfer to the bank account designated by the registered holder, unless such holder otherwise directs. In the case of joint holders, the cheque or payment shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and, if more than one address is recorded in the Corporation's security register in respect of such joint holding, the cheque shall be mailed to the first address so appearing. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, or the electronic funds transfer as aforesaid, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold. In the event of non-receipt of any dividend cheque or payment by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque or payment for a like amount on such terms as to indemnity, reimbursement

of expenses and evidence of non-receipt and of title as any officer or the directors may from time to time prescribe, whether generally or in any particular case.

VOTING SECURITIES IN OTHER BODIES CORPORATE

70. All securities of or other interests in: (i) any other body corporate or (ii) any trust, association or other unincorporated organization carrying voting rights and held from time to time by the Corporation may be voted at all meetings of shareholders, unitholders, bondholders, debenture holders or holders of such securities or other interests, as the case may be, of such other: (i) body corporate or (ii) trust, association or other unincorporated organization, and in such manner and by such person or persons as the directors of the Corporation shall from time to time determine and authorize by resolution. Any officer of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and arrange for the issuance of voting certificates or other evidence of the right to vote in such names as such officer may determine without the necessity of a resolution or other action by the directors.

NOTICES, ETC.

71. Service. Any notice or document required by the Act, the articles or the by-laws to be sent to any shareholder or director of the Corporation may be delivered personally to or sent by mail addressed to:

(a) the shareholder at the shareholder’s latest address as shown in the records of the Corporation or its transfer agent; and

(b) the director at the director’s latest address as shown in the records of the Corporation or in the last notice filed under section 106 or 113 of the Act.

Subject to subsection (2) of section 134 of the Act, a notice or document sent by mail as contemplated by this Paragraph 71 to a shareholder or director of the Corporation shall be deemed to have been received by the shareholder or director (as the case may be) at the tune it would be delivered in the ordinary course of mail, unless there are reasonable grounds for believing that the shareholder or director (as the case may be) did not receive the notice or document at that time or at all.

A notice or document required to be sent or delivered as noted above in this Paragraph 71 or pursuant to section 256 or section 257 of the Act may be sent by electronic means in accordance with the provisions of the Electronic Transactions Act (Alberta) or as otherwise permitted by applicable laws including, without limitation, common law, statutes, rules, regulations, official directives, published guidelines, standards, codes of practice (regardless of whether such guidelines, standards and codes of practice have been promulgated by statute or regulation) and orders of and the terms of all judgments, orders and decrees, whether foreign or domestic, issued by any governmental authority.

72. Failure to Locate Shareholder. If the Corporation sends a notice or document to a shareholder and the notice or document is returned on two consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notices or

documents to the shareholder until such shareholder informs the Corporation in writing of the shareholder's new address.

73. Shares Registered in More than one Name. All notices or documents shall, with respect to any shares in the capital of the Corporation registered in more than one name, be sent to whichever of such persons is named first in the records of the Corporation and any notice or document so sent shall be deemed to have been duly sent to all the holders of such shares.

74. Persons Becoming Entitled by Operation of Law. Every person who by operation of law, transfer or by any other means whatsoever shall become entitled to any shares in the capital of the Corporation shall be bound by every notice or document in respect of such shares which prior to his or her name and address being entered on the records of the Corporation in respect of such shares shall have been duly sent to the person or persons from whom such person derives his or her title to such shares.

75. Signatures upon Notices. The signature of any director or officer of the Corporation upon any notice need not be a manual signature.

76. Computation of Time. All computations of time required to be made pursuant to the articles or by-laws of the Corporation shall, unless otherwise provided for thereunder or herein, be made in a manner consistent with the provisions of the Interpretation Act (Alberta).

77. Proof of Service. A certificate of any officer of the Corporation in office at the time of the making of the certificate or of an agent of the Corporation as to facts in relation to the mailing or delivery or sending of any notice or document to any shareholder, director, officer or auditor of the Corporation or any other person or publication of any notice or document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation or other person, as the case may be.

CHOICE OF LAW

78. Exclusive Forum for Certain Disputes . Unless the Corporation consents in writing to the selection of an alternative forum, the applicable court of competent jurisdiction for the Province of Alberta, Canada (the "Alberta Court") shall, to the fullest extent permitted by law, be the sole and exclusive forum for any of the following actions or other proceedings:

(a) a derivative action, including an application for leave to commence such an action, in the name of and on behalf of the Corporation;

(b) an application for an oppression remedy, including an application for leave to commence such a proceeding;

(c) an action asserting a claim of breach of the duty of care owed by the Corporation or any director, officer or other employee of the Corporation to the Corporation or to any of the Corporation's shareholders;

(d) an action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or to any of the Corporation's shareholders;

(e) an action or other proceeding asserting a claim or seeking a remedy pursuant to any provision of the Act or the Corporation's articles or by-laws (as either may be amended or restated from time to time); and

(f) an action or other proceeding asserting a claim against the Corporation or any director or officer or other employee of the Corporation regarding a matter of the regulation of the business and affairs of the Corporation, including (without limitation), the articles, by-laws, internal affairs, governance, status, internal controls and procedures of the Corporation.

If any action or other proceeding the subject matter of which is within the scope of the preceding sentence (an "Action") is filed in a court other than the Alberta Court in the name of any shareholder (an "Extra-Jurisdictional Action"), such shareholder shall be deemed to have consented to: (a) the personal jurisdiction of the Alberta Court in connection with any action or other proceeding to enforce the action, and (b) having service of process made upon such shareholder in any such action or other proceeding by service upon such shareholder's counsel in the Extra-Jurisdictional Action as agent for such shareholder.

To the extent an Action is brought in the Alberta Court by a plaintiff who is ordinarily resident outside Alberta, the Corporation will not seek security for costs from that plaintiff solely by reason of that plaintiff's residence outside Alberta.

CUSTODY OF SECURITIES

79. All securities (including without limitation warrants) owned by the Corporation may be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or with such other depositaries or in such other manner as may be determined from time to time by any officer or the directors.

All securities (including without limitation warrants) belonging to the Corporation may be issued and held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer thereof to be completed and registration thereof to be effected.

EXECUTION OF CONTRACTS, ETC.

80. Contracts, documents or instruments requiring the signature of the Corporation may be signed by any director or officer alone or any person or persons authorized by resolution of the directors and all contracts, documents or instruments so signed shall be binding upon the Corporation without any further authorization or formality. The directors are authorized from time to time by resolution to appoint any person or persons on behalf of the Corporation either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments.

The corporate seal (if any) of the Corporation may be affixed by any director or officer to contracts, documents or instruments signed by such director or officer as aforesaid or by the person or persons appointed as aforesaid by resolution of the directors.

The term “contracts, documents or instruments “ as used in this by-law shall include notices, deeds, mortgages, hypothecs, charges, cheques, drafts, orders for the payment of money, notes, acceptances, bills of exchange, conveyances, transfers and assignments of property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of securities and all paper writings.

The signature or signatures of any director or officer or any other person or persons appointed as aforesaid by resolution of the directors may be printed, engraved, lithographed or otherwise mechanically reproduced upon all contracts, documents or instruments executed or issued by or on behalf of the Corporation and all contracts, documents or instruments on which the signature or signatures of any of the foregoing persons shall be so reproduced shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments.

FISCAL PERIOD

The fiscal period of the Corporation shall terminate on such day in each year as the board may from time to time by resolution determine.

MADE the **[•]** day of **[•]**, 2016.

[•]	**[•]**

SCION ENERGY CORP.

BY-LAW NO. 2

A by-law respecting the borrowing of money, the giving of guarantees and the giving of security by SCION ENERGY CORP. (hereinafter called the "Corporation") is hereby made as follows:

The directors of the Corporation may, without authorization of the shareholders:

(a) borrow money on the credit of the Corporation;

(b) issue, reissue, sell or pledge debt obligations of the Corporation, including bonds, debentures, notes or other evidences of indebtedness or guarantees of the Corporation, whether secured or unsecured;

(c) subject to section 45 of the Business Corporations Act (Alberta), as from time to time amended, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person, including any individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;

(d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation; and

(e) delegate to one or more directors, a committee of directors or one or more officers of the Corporation as may be designated by the directors, all or any of the powers conferred by the foregoing clauses of this by-law to such extent and in such manner as the directors shall determine at the time of each such delegation.

In the event any provision of any other by-law of the Corporation now in force is inconsistent with or in conflict with any provision of this by-law, the provisions of this by-law shall prevail to the extent necessary to remove the inconsistency or conflict.

MADE the **[•]** day of **[•]**, 2016.

[•]	**[•]**

SCHEDULE "B"
ISKANDER PROPERTIES

Georgia	Satskhenisi	90%	Q4 2013	12-Dec-25	Private Georgian Co.(10%)	Development area under Production Sharing Contract	•Contractor share 75% before payout and 40% after payout	•All taxes paid from NOC oil taken in kind as per terms of PSC
Ukraine	Donbass	95%	Mar. 20, 2012	Dec. 15, 2013- **Production License applied for end Dec 2013**	Industrial Union Donbass (5%)	Exploration with limited production to determine commercial value	•38% royalty[2]	•No taxes until 2020 ; 16% tax rate thereafter
	Kruto	99%	Jun. 21, 2012	Jul. 13, 2016	Ecomethan LLC (10%)	Exploration with limited production to determine commercial value	•38% royalty[2]	•No taxes until 2020; 16% tax rate thereafter
	Krasno	100%	Nov. 22, 2011	Jan. 21, 2015 **(Extension pending to Jan 21, 2020)**	n/a	Exploration with limited production to determine commercial value	•38% royalty	•No taxes until 2020 ; 16% tax rate thereafter
Bulgaria[1]	Gradishte	50%	Aug. 22, 2011	2 yrs post fracking ban removal or July 2018	Bulgarian shareholders -50%	Exploration	•Royalty factor which escalates from 4.5% to 32.0% as r factor increases from <1 to 3	•10% tax rate
	Kilifarevo	50%	Aug. 22, 2011		Bulgarian shareholders -50%	Exploration		

(1)Interest in licenses through indirect ownership of 50% of the issued and outstanding equity of RSG (Research and Service Group AD)
(2)Iskander disputing new royalty regime which has 25% royalty and contravenes the law on CBM in Ukraine which intends for 0% royalty
(3)Standstill agreement effective June 2013 until June 2016 or earlier if the fracking moratorium is lifted

Georgia	Satskhenisi	90%	Q4 2013	12-Dec-25	Private Georgian Co.(10%)	Development area under Production Sharing Contract	•Contractor share 75% before payout and 40% after payout	•All taxes paid from NOC oil taken in kind as per terms of PSC
Ukraine	Donbass	95%	Mar. 20, 2012	Dec. 15, 2013- **Production License applied for end Dec 2013**	Industrial Union Donbass (5%)	Exploration with limited production to determine commercial value	▪38% royalty(2)	▪No taxes until 2020 ; 16% tax rate thereafter
	Kruto	99%	Jun. 21, 2012	Jul. 13, 2016	Ecomethan LLC (10%)	Exploration with limited production to determine commercial value	▪38% royalty(2)	▪No taxes until 2020; 16% tax rate thereafter
	Krasno	100%	Nov. 22, 2011	Jan. 21, 2015 **(Extension pending to Jan 21, 2020)**	n/a	Exploration with limited production to determine commercial value	▪38% royalty	▪No taxes until 2020 ; 16% tax rate thereafter
Bulgaria(1)	Gradishte	50%	Aug. 22, 2011	2 yrs post fracking ban removal or July 2018	Bulgarian shareholders -50%	Exploration	▪Royalty factor which escalates from 4.5% to 32.0% as r factor increases from <1 to 3	▪10% tax rate
	Kilifarevo	50%	Aug. 22, 2011		Bulgarian shareholders -50%	Exploration		

(1)Interest in licenses through indirect ownership of 50% of the issued and outstanding equity of RSG (Research and Service Group AD)
(2)Iskander disputing new royalty regime which has 25% royalty and contravenes the law on CBM in Ukraine which intends for 0% royalty
(3)Standstill agreement effective June 2013 until June 2016 or earlier if the fracking moratorium is lifted

SCHEDULE "C"
HORIZON ARRANGEMENT RESOLUTION

BE IT RESOLVED BY SPECIAL RESOLUTION THAT:

1. The arrangement (the "**Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") involving Horizon Petroleum Ltd. ("**Horizon**") pursuant to the arrangement agreement (the "**Arrangement Agreement**") between Horizon and Iskander Energy Corp. ("**Iskander**") dated April 19, 2016, all as more particularly described and to be set forth in the joint management information circular of Horizon and Iskander (the "**Circular**") accompanied by the notice of the meeting (as the Arrangement may be modified or amended in accordance with its terms), is hereby authorized, approved and adopted.

2. The plan of arrangement, as it has been or may be modified or amended in accordance with the Arrangement Agreement and its terms, involving Horizon (the "**Plan of Arrangement**"), the full text of which is set out as Schedule "A" to the Arrangement Agreement, is hereby authorized, approved and adopted.

3. The Arrangement Agreement, the actions of the directors of Horizon in approving the Arrangement, and the actions of the officers of Horizon in executing and delivering the Arrangement Agreement, and any modifications or amendments thereto are hereby ratified and approved.

4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the Horizon Shareholders (as defined in the Arrangement Agreement) or that the Arrangement has been approved by the Alberta Court of Queen's Bench (the "**Court**"), the directors of Horizon are hereby authorized and empowered, at their discretion, without further notice to or approval of the Horizon Shareholders: (a) to amend or modify the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement; and (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.

5. Any officer or director of Horizon is hereby authorized and directed for and on behalf of Horizon to make an application to the Court for an order approving the Arrangement and to execute, under the corporate seal of Horizon or otherwise, and to deliver or cause to be delivered, for filing with the Registrar under the ABCA, articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.

6. Any officer or director of Horizon is hereby authorized and directed for and on behalf of Horizon to execute or cause to be executed and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as, in such person's opinion, may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such

determination to be conclusively evidenced by the execution and delivery of such other document or instrument or the doing of any other such act or thing.

SCHEDULE "D"
ISKANDER ARRANGEMENT RESOLUTION

BE IT RESOLVED BY SPECIAL RESOLUTION THAT:

1. The arrangement (the "**Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") involving Iskander Energy Corp. ("**Iskander**") pursuant to the arrangement agreement (the "**Arrangement Agreement**") between Iskander and Horizon Petroleum Ltd. ("**Horizon**") dated April 19, 2016, all as more particularly described and to be set forth in the joint management information circular of Iskander and Horizon (the "**Circular**") accompanied by the notice of the meeting (as the Arrangement may be modified or amended in accordance with its terms), is hereby authorized, approved and adopted.

2. The plan of arrangement, as it has been or may be modified or amended in accordance with the Arrangement Agreement and its terms, involving Iskander (the "**Plan of Arrangement**"), the full text of which is set out as Schedule "A" to the Arrangement Agreement, is hereby authorized, approved and adopted.

3. The Arrangement Agreement, the actions of the directors of Iskander in approving the Arrangement, and the actions of the officers of Iskander in executing and delivering the Arrangement Agreement, and any modifications or amendments thereto are hereby ratified and approved.

4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the Iskander Shareholders (as defined in the Arrangement Agreement) or that the Arrangement has been approved by the Alberta Court of Queen's Bench (the "**Court**"), the directors of Iskander are hereby authorized and empowered, at their discretion, without further notice to or approval of the Iskander Shareholders: (a) to amend or modify the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement; and (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.

5. Any officer or director of Iskander is hereby authorized and directed for and on behalf of Iskander to make an application to the Court for an order approving the Arrangement and to execute, under the corporate seal of Iskander or otherwise, and to deliver or cause to be delivered, for filing with the Registrar under the ABCA, articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.

6. Any officer or director of Iskander is hereby authorized and directed for and on behalf of Iskander to execute or cause to be executed and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as, in such person's opinion, may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such

determination to be conclusively evidenced by the execution and delivery of such other document or instrument or the doing of any other such act or thing.