

AGENCY AGREEMENT

Executed May 28, 2024 and effective as of April 17, 2024

Tuktu Resources Ltd.
960, 630 – 6th Avenue S.W.
Calgary, Alberta T2P 0S8

Attention: Tim De Freitas, President, CEO & Director

Re: Private Placement of Units of Tuktu Resources Ltd.

Canaccord Genuity Corp. (“**Canaccord**” or the “**Agent**”), as sole lead manager and sole bookrunner, understands that Tuktu Resources Ltd. (the “**Corporation**”) proposes to issue and sell up to 40,000,000 units of the Corporation (the “**Units**”) at an issue price of \$0.05 per Unit for aggregate gross proceeds of up to \$2,000,000 subject to the terms and conditions of this Agreement. Each Unit shall consist of one (1) common share in the capital of the Corporation (each a “**Unit Share**”) and one common share purchase warrant (each whole warrant, a “**Warrant**”), with each Warrant exercisable at \$0.075 at any time prior to 5:00 p.m. (Mountain Time) on the date that is three years from the date of issuance. The Warrants will be created pursuant to, and subject to the terms of, a warrant indenture (the “**Warrant Indenture**”) between the Corporation and Computershare Trust Company of Canada to be dated as of the Closing Date (as hereinafter defined);

The Corporation hereby grants to the Agent an over-allotment option (the “**Over-Allotment Option**”), which may be exercised in the Agent’s sole discretion and without obligation, exercisable in whole or in part and in one or more tranches at any time and from time to time prior to the Closing Date (as hereinafter defined) by written notice delivered to the Corporation by the Agent, to increase the size of the Offering by up to \$300,000. For greater certainty, notice shall include providing Subscription Agreements (as hereinafter defined) or a control document for an amount of subscriptions which includes the Over-Allotment Option.

Upon Closing (as hereinafter defined), the net proceeds from the Offering after paying the cash portion of the Agent’s Commission (as hereinafter defined), if any, the Corporate Finance Fee (as hereinafter defined), and the costs and expenses of the Agent payable on Closing in accordance with this Agreement, will be used for working capital purposes and to fund development projects, including well recompletions and workovers.

The Agent and the Corporation understand that the sale of the Units is to be effected in reliance upon exemptions from the prospectus requirements of the securities laws of each of the provinces and territories of Canada and in the United States pursuant to an exemption from United States registration requirements and offshore (collectively, the “**Selling Jurisdictions**”). The parties hereto acknowledge that the Units may be sold in the United States, where the Units will be offered for sale on a private placement basis pursuant to Regulation D and/or Rule 144A under the U.S. Securities Act (as hereinafter defined) or other applicable registration exemptions; and jurisdictions outside of Canada and the United States, where the Units will be offered for sale in each case in accordance with all applicable laws, provided that no prospectus, registration statement or similar document is required to be filed in any such jurisdiction and the Corporation does not thereafter become subject to continuous disclosure obligations in any such jurisdiction.

Upon and subject to the terms and conditions set forth herein, the Corporation hereby appoints the Agent to act as its sole and exclusive agent, and the Agent hereby accept such appointment to effect the sale of the Units, on a commercially reasonable efforts basis, to persons resident in the Selling Jurisdictions. The Agent agrees to use its commercially reasonable efforts to solicit offers to purchase the Units in the Selling Jurisdictions but it is understood and agreed that the Agent shall act as agent only and is under no obligation to purchase any of the Units, although the Agent may subscribe for and purchase Units if it so desires.

In connection with the Offering, the Agent shall be entitled to retain, as sub-agents, other registered securities dealers and may receive (for delivery to the Corporation at the Closing Time (as hereinafter defined)) subscriptions for Units from other registered securities dealers. Any fee payable to such sub-agent shall be for the account of the Agent and shall not exceed the fee payable to the Agent hereunder. The Agent shall, however, be under no obligation to engage any sub-agent.

The Corporation has included certain Subscribers (other than those settling directly with the Corporation) as identified by the Corporation on a 'president's list' (the "**President's List**").

In consideration for its services hereunder, the Agent shall be entitled to the fees provided for below, which fees shall be payable from the proceeds of the sale of the Units hereunder at the time specified in Section 9 hereof:

- (i) a fee (the "**Agent's Commission**") comprised of a commission of 8.0% of the aggregate gross proceeds of the Offering (including exercise of the Over-Allotment Option, if applicable), with the exception of gross proceeds raised from persons included on the President's List which shall be subject to a reduced fee equal to 4.0% of the aggregate gross proceeds to a maximum of \$500,000 of aggregate gross proceeds from President's List Subscribers, which commission shall be payable in Units or cash, or any combination of Units and cash, at the Agent's option;
- (ii) warrants to acquire Units (the "**Agent's Unit Options**") of the Corporation exercisable at an exercise price of \$0.05 per Agent's Unit Option at any time prior to the date that is 36 months from the Closing Date to acquire that number of Units of the Corporation which is equal to 8.0% of the number of Units sold under the Offering (including exercise of the Over-Allotment Option, if applicable), with the exception of gross proceeds raised from persons included on the President's List for which the Agent shall be granted a number of Agent's Unit Options equal to 4.0% of the number of Units sold up to a maximum of \$500,000 of aggregate gross proceeds from President's List Subscribers. Each Agent's Unit Option entitles the holder to acquire one Common Share ("**Agent's Unit Share**") and one Warrant ("**Agent's Unit Warrant**"), exercisable into one Common Share ("**Agent's Unit Warrant Share**") at \$0.075 per Agent's Unit Warrant on the same terms and conditions as the Warrants; and
- (iii) a corporate finance fee of [Redacted – Commercially sensitive information] (the "**Corporate Finance Fee**"), subject to the restriction that only 10% of the Corporate Finance Fee will be payable if the aggregate gross proceeds of the Offering are less than \$1,000,000.

Whether or not the Offering is completed, the Corporation will reimburse for the Agent's Expenses (as hereinafter defined) as set forth in Section 10 hereof.

The following are the further terms and conditions of this Agreement:

Section 1 Definitions

As used in this Agreement, including the paragraphs prior to this definitional section and any amendments hereto, unless the context otherwise requires:

- (a) **"ABCA"** means the *Business Corporations Act* (Alberta), as amended, including the regulations promulgated thereunder;
- (b) **"affiliate"** has the meaning ascribed thereto in the ABCA;
- (c) **"Agent"** has the meaning set forth on page 1 hereof;
- (d) **"Agent's Commission"** has the meaning set forth on page 2 hereof;
- (e) **"Agent's Commission Units"** means Units which the Agent may request to be paid the Agent's Commission in, at the Agent's option;
- (f) **"Agent's Commission Unit Share"** means one Common Share issued as part of the Agent's Commission Unit;
- (g) **"Agent's Commission Warrant"** means the Warrants issued as part of the Agent's Commission Units;
- (h) **"Agent's Commission Warrant Share"** means one Common Share issued upon exercise of an Agent's Commission Warrant;
- (i) **"Agent's Counsel"** means DLA Piper (Canada) LLP, or such other legal counsel as the Agent may retain;
- (j) **"Agent's Expenses"** has the meaning set forth in Section 10;
- (k) **"Agent's Securities"** means the Agent's Commission Units, Agent's Commission Unit Shares, Agent's Commission Warrants, Agent's Commission Warrant Shares, Agent's Unit Options, Agent's Unit Shares, Agent's Unit Warrants and Agent's Unit Warrant Shares;
- (l) **"Agent's Unit Options"** has the meaning set forth on page 2 hereof;
- (m) **"Agent's Unit Option Certificates"** means the certificates representing the Agent's Unit Options;
- (n) **"Agent's Unit Share"** has the meaning set forth on page 2 hereof;
- (o) **"Agent's Unit Warrant"** has the meaning set forth on page 2 hereof;
- (p) **"Agent's Unit Warrant Share"** has the meaning set forth on page 2 hereof;

- (q) **"Agreement"** means this agency agreement executed on May 28, 2024 with an effective date of April 17, 2024, and not any particular Article or Section or other portion except as may be specified, and words such as "hereto", "herein" and "hereby" refer to this Agreement as the context requires;
- (r) **"Applicable Securities Laws"** means all applicable securities and corporate laws, rules, regulations, instruments, notices, blanket orders, decision documents, statements, circulars, procedures and policies in the Selling Jurisdictions;
- (s) **"Business"** means the business presently and heretofore carried on by the Corporation, and any subsidiary, as a going concern, all operations related thereto and the intangible goodwill associated therewith and any and all interests of whatsoever kind and nature related thereto;
- (t) **"Business Day"** means a day which is not Saturday, Sunday or a legal holiday in Calgary, Alberta;
- (u) **"Closing"** means the completion of the sale by the Corporation of the Units as contemplated hereunder provided that there may be more than one Closing;
- (v) **"Closing Date"** means May 28, 2024 or such other earlier or later date or dates as the Agent and the Corporation may agree in writing, and for greater clarity, there may be more than one Closing Date;
- (w) **"Closing Time"** means 6:00 a.m. (MT), or such other time on the Closing Date as the Agent and the Corporation may agree;
- (x) **"Common Shares"** means the common shares in the capital of the Corporation;
- (y) **"Corporate Finance Fee"** has the meaning set forth on page 2 hereof
- (z) **"Corporation"** means Tuktu Resources Ltd., a corporation duly incorporated pursuant to the provisions of the ABCA;
- (aa) **"Corporation's Counsel"** means Stikeman Elliott LLP, or such other legal counsel as the Corporation may appoint;
- (bb) **"Deloitte"** means Deloitte Canada LLP;
- (cc) **"distribution"** means "distribution" or "distribution to the public", as the case may be, as defined under the Applicable Securities Laws of the Selling Jurisdictions and **"distribute"** has a corresponding meaning;
- (dd) **"Documents"** means the Subscription Agreements, the Warrant Indenture, the certificates evidencing the Warrants (if any), the certificates evidencing the Agent's Warrants and the Financial Statements;
- (ee) **"Due Diligence Sessions"** shall have the meaning set forth in Section 2(g) of this Agreement;

- (ff) **“Due Diligence Session Responses”** means the written and verbal responses of the Corporation, as given by any director or senior officer of the Corporation, at the Due Diligence Sessions, except as modified by subsequent written communication from the Corporation to, and receipt confirmed by, the Agent or Agent’s Counsel;
- (gg) **“Effective Date”** means the effective date of this Agreement being April 17, 2024;
- (hh) **“Enforceability Qualifications”** means that:
- (i) enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors’ rights generally;
 - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
 - (iii) the courts in Canada having jurisdiction may have equitable or statutory powers to stay proceedings before them and the execution of judgments;
 - (iv) rights to indemnity and contribution hereunder may be limited under applicable law;
 - (v) enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under applicable law without affecting the enforceability of validity of the remainder of such document would be determined only in the discretion of the court; and
 - (vi) enforceability of the provisions exculpating a party from liability or duty otherwise owed by it may be limited under applicable law;
- (ii) **“Environmental Laws”** means all applicable federal, state, provincial, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental health or safety matters;
- (jj) **“Financial Statements”** means, collectively, the audited financial statements of the Corporation for the years ended December 31, 2023 and 2022, together with the notes thereto and the independent auditor’s report, and the unaudited interim condensed financial statements of the Corporation for the three months ended March 31, 2024 and 2023, including the notes thereto;
- (kk) **“Governmental Authority”** means any: (i) multinational, federal, provincial, state, municipal, local or other governmental or public department, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) subdivision or authority of any of the foregoing; (iii) quasi-governmental, self-regulatory organization or private body exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the above (including the TSXV); or (iv) arbitrator exercising jurisdiction over the affairs of the applicable person, asset, obligation or other matter;
- (ll) **“Governmental Licenses”** has the meaning given to it in Section 6(p);

- (mm) **"Indemnified Persons"** means the Agent and affiliates of the Agent and the directors, officers, shareholders, employees and agents of the Agent and affiliates of the Agent;
- (nn) **"Intellectual Property"** means intellectual property rights, including: (i) all patents, patent rights, inventions, industrial designs and licenses; (ii) trademarks, service marks, trade dress, trade names, corporate names, logos, slogans and Internet domain names, together with all goodwill associated with each of the foregoing; (iii) copyrights and copyrightable works in whatever form or medium; (iv) registrations, applications and renewals for any of the foregoing; (v) proprietary computer software (including but not limited to data, data bases and documentation); and (vi) trade secrets, confidential information and know-how;
- (oo) **"Investor Presentation"** means the presentation of the Corporation entitled *"Tuktu Resources Ltd. – Positioned for Success in Light Oil through strategic acquisitions in the Deep Basin and Foothills"* dated April 2024;
- (pp) **"Law"** means any federal, provincial, territorial, state or municipal law, statute, ordinance, regulation, rule, by-law, judgment, decree, order or award of any Governmental Authority of competent jurisdiction;
- (qq) **"Lien"** means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by Law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, hypothec, pledge, title retention agreement, reservation of title, servitude, right of way, restrictive covenant, right of use or any matter capable of registration against title or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or the right to use or occupy property or assets;
- (rr) **"Material Adverse Effect"** means the effect resulting from any event or change which has a material adverse effect on the consolidated business, affairs, capital, operations or assets of the Corporation;
- (ss) **"Material Contracts"** has the meaning given to it in Section 6(q);
- (tt) **"Mining Claims"** has the meaning given to it in Section 6(m);
- (uu) **"misrepresentation"**, **"material change"** and **"material fact"** shall have the meanings ascribed thereto under the Applicable Securities Laws of the Selling Jurisdictions;
- (vv) **"Money Laundering Laws"** has the meaning given to it in Section 6(ww);
- (ww) **"NI 45-102"** means National Instrument 45-102 - *Resale of Securities* of the Canadian Securities Administrators;

- (xx) “**NI 51-102**” means National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators;
- (yy) “**Offering**” means the offering and sale of the Units pursuant to this Agreement, including any Units issued pursuant to the Over-Allotment Option;
- (zz) “**Outstanding Convertible Securities**” means all outstanding options (whether put or call options), share purchase or acquisition rights, or warrants and other convertible securities outstanding, whether issued pursuant to an established plan or otherwise, that entitle or obligate any person to acquire Common Shares from the treasury;
- (aaa) “**Over-Allotment Option**” has the meaning set forth on page 1 hereof;
- (bbb) “**President’s List**” has the meaning set forth on page 2 hereof;
- (ccc) “**Public Record**” means all information filed with a securities commission or similar regulatory authority and any other information filed with any such securities commission or similar regulatory authority by the Corporation in compliance, or intended compliance, with any Applicable Securities Laws since January 1, 2023;
- (ddd) “**Reporting Jurisdictions**” means British Columbia and Alberta;
- (eee) “**Reserves Report**” means the independent reserves report prepared for the Corporation by Deloitte, the Corporation’s independent qualified reserves evaluators, with an effective date of December 31, 2023 and dated April 23, 2024 and prepared in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook;
- (fff) “**Securities**” means the Units, the Unit Shares, the Warrants, the Warrant Shares, and the Agent’s Securities;
- (ggg) “**Securities Commissions**” means, collectively, the securities commissions or similar regulatory authorities in the Selling Jurisdictions and “**Securities Commission**” means any of them;
- (hhh) “**Selling Dealer Group**” means the dealers and brokers, if any, other than the Agent, who participate in the Offering pursuant to this Agreement;
- (iii) “**Selling Jurisdictions**” has the meaning set forth on page 1 hereof;
- (jjj) “**Subscribers**” means any person who executes a Subscription Agreement (or a person on whose behalf a Subscription Agreement is executed, as applicable) that is accepted by the Corporation;
- (kkk) “**Subscription Agreements**” means the subscription agreements (including any schedules or exhibits thereto) to be entered into at the Closing Time between the Corporation and each of the Subscribers providing for the purchase by Subscribers of Units;

- (lll) “**subsidiary**” means a subsidiary of the Corporation within the meaning of the ABCA;
- (mmm) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder as amended from time to time;
- (nnn) “**Taxes**” means all taxes, however denominated, including any interest, penalties, or other additions thereto that are imposed by any government, agency or authority, or a subdivision thereof, which is entitled to impose Taxes or administer any legislation relating to Taxes, and shall for greater certainty include, but are not limited to, federal and provincial income and capital taxes, payroll and employee withholding taxes, employment insurance premiums, Canada pension plan contributions, the goods and services taxes charged pursuant to the *Excise Tax Act* (Canada), sales and use taxes, *ad valorem* taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupational taxes, real and personal property taxes, stamp taxes, environmental taxes, worker’s compensation premiums, and all other amounts of the same or of a similar nature to any of the foregoing, whether or not such amounts are described as taxes;
- (ooo) “**Term Sheet**” means the signed engagement letter and term sheet dated effective April 17, 2024 between the Corporation and Canaccord;
- (ppp) “**TSXV**” means the TSX Venture Exchange or any successor thereto;
- (qqq) “**Underlying Shares**” means the Warrant Shares, Agent’s Commission Warrant Shares, Agent’s Unit Shares (if any) and Agent’s Unit Warrant Shares (if any);
- (rrr) “**United States**” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;
- (sss) “**Unit Share**” has the meaning set forth on page 1 hereof;
- (ttt) “**Units**” has the meaning set forth on page 1 hereof;
- (uuu) “**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended;
- (vvv) “**Warrant Indenture**” has the meaning ascribed to such term on page 1 hereof;
- (www) “**Warrants**” has the meaning ascribed to such term on page 1 hereof;
- (xxx) “**Warrant Shares**” means the Common Shares issuable upon the due and proper exercise of the Warrants in accordance with the terms of the certificates representing the Warrants or the Warrant Indenture, as applicable.

In this Agreement, words importing the singular include the plural and words importing gender include all genders. In addition, in this Agreement, “**to the best of the knowledge of**”, “**to the best of its knowledge**” or “**to its knowledge**” and other similar phrases means, unless otherwise expressly stated, a statement of the declarant’s knowledge of the facts or circumstances to which such phrase relates, after having made due and applicable inquiries and investigations in

connection with such facts and circumstances; and “**to the best of the knowledge of the Corporation**” or “**to the best of the Corporation’s knowledge**” and other similar phrases means, unless otherwise expressly stated, a statement as to the best knowledge of each of the Chief Executive Officer and Chief Financial Officer of the Corporation about the facts or circumstances to which such phrase relates, after having made due and applicable inquiries and investigations in connection with such facts and circumstances that would ordinarily be made in the discharge of each such officer’s duties.

Section 2 Corporation’s Covenants as to Issuance

The Corporation agrees:

- (a) that the Securities issued in connection herewith will be duly and validly created, authorized and issued pursuant to the terms of this Agreement, the Warrant Indenture, the Subscription Agreements and the Agent’s Unit Option Certificates, as applicable, and that the Underlying Shares will be duly and validly authorized and reserved for issuance and, upon issuance in accordance with the due and proper exercise of the applicable security, such Underlying Shares will be issued as fully paid and non-assessable Common Shares;
- (b) that it will, prior to the Closing Time, file all required documents with the TSXV for the issuance and listing on the TSXV of the Unit Shares, the Warrant Shares, the Agent’s Commission Unit Shares, the Agent’s Commission Warrant Shares, the Agent’s Unit Shares and the Agent’s Unit Warrant Shares and that the Corporation will comply with all requirements of the TSXV in connection with the issuance and listing of the Underlying Shares on the TSXV which includes for greater certainty the filing of all necessary documentation in accordance with the requirements of the TSXV;
- (c) to comply with all covenants of the Corporation set forth in this Agreement, the Subscription Agreements, the Warrant Indenture and the Agent’s Unit Option Certificates, and to duly, punctually and faithfully perform all the obligations to be performed by it under this Agreement, the Subscription Agreements, the Warrant Indenture and the Agent’s Unit Option Certificates;
- (d) as soon as reasonably possible, and in any event by the Closing Date, to take all such reasonable steps as may be necessary to comply with such requirements of Applicable Securities Laws to enable the Units to be offered for sale and sold on a private placement basis to Subscribers in the Selling Jurisdictions on the Closing Date, as applicable, through the Agent or any other investment dealers or brokers registered in the applicable Selling Jurisdictions and to issue the Agent’s Commission Units (if any) and Agent’s Unit Options, and the underlying securities thereto, to the Agent, by way of the exemptions under Applicable Securities Laws of the Selling Jurisdictions as contemplated hereby;
- (e) that the Corporation will comply with the provisions applicable to the Corporation of National Instrument 45-102 - *Resale of Securities* and National Instrument 45-106 - *Prospectus Exemptions* in connection with the Offering so that the Securities are subject to a “restricted period” expiring four months and a day from the applicable Closing Date;

- (f) to file, as required by Applicable Securities Laws, Form 45-106F1 and any other required documents within the time period required by Applicable Securities Laws; and
- (g) prior to the Closing Time and during the period from the Effective Date until completion of the distribution of the Units, that it shall allow the Agent the opportunity to conduct required due diligence and, in particular, the Corporation shall allow the Agent and the Agent's Counsel to conduct all due diligence which the Agent may reasonably require in order to: (i) confirm the Documents and Public Record are accurate, current and complete in all material respects; and (ii) fulfill the Agent's obligations as agent, and the Corporation will provide to the Agent and the Agent's Counsel and consultants reasonable access to the Corporation's properties, senior management personnel and corporate, financial and other records for the purposes of conducting such due diligence reviews. Without limiting the generality of the foregoing, the Corporation shall make available its directors, senior management and audit committee, and, if requested by the Agent, shall use commercially reasonable efforts to cause its reserves evaluators, auditors (including any predecessor entity or business) or members of its audit committee, as applicable, to answer any questions which the Agent or Agent's Counsel may have and, to participate in one or more due diligence sessions to be held prior to the Closing Time (collectively, the "**Due Diligence Sessions**"). The Agent shall distribute a list of written questions to be answered in advance of such Due Diligence Sessions and the Corporation shall provide written responses to such questions and, if applicable, shall use its commercially reasonable efforts to have its auditors or audit committee, as applicable, provide written responses to such questions at the Due Diligence Sessions.

Section 3 Corporation's Covenants as to Changes

The Corporation agrees that:

- (a) during the period commencing on the Effective Date and ending at the Closing Time, the Corporation will promptly inform the Agent of the full particulars of:
 - (i) any material change (actual, anticipated or threatened) in the assets, liabilities (absolute, accrued, contingent or otherwise), Business, operations, capital or condition (financial or otherwise) of the Corporation and its subsidiaries (taken as a whole);
 - (ii) any material change in any material fact contained or referred to in the Public Record or the Documents; and
 - (iii) the occurrence of a material fact or event, which, in any such case, is, or may be, of such a nature as to:
 - (A) render untrue, false or misleading in a material respect any portion of the Public Record, the Documents or any Due Diligence Session Response;

- (B) result in a misrepresentation in the Public Record, the Documents or any Due Diligence Session Response; or
- (C) result in the Public Record or the Documents not complying with the Applicable Securities Laws;

provided that if the Corporation is uncertain as to whether a material change, change, occurrence or event of the nature referred to in this Section has occurred, the Corporation shall promptly inform the Agent and the Agent's Counsel of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agent as to whether the occurrence is of such nature;

- (b) during the period commencing on the Effective Date and ending at the Closing Time, the Corporation will promptly inform the Agent of the full particulars of:
 - (i) any request of any Securities Commission or other securities commission or similar regulatory authority, including the TSXV, for any amendment to the Public Record or for any additional information which may be material to the distribution of the Securities;
 - (ii) the issuance by any Securities Commission or other securities commission, the TSXV, or similar regulatory authority or by any other competent authority of any order to cease or suspend trading of any securities of the Corporation (including the Units, the Agent's Commission Units (if any), or the Agent's Unit Options, or underlying securities thereto) or of the institution or threat of institution of any proceedings for that purpose; or
 - (iii) the receipt by the Corporation of any communication from any of the Securities Commissions or any other securities commission, the TSXV, or similar regulatory authority or any other competent authority in any jurisdiction, relating to any part of the Public Record, the Documents or the Offering;

and except as otherwise agreed by the Agent, the Corporation will use its best efforts to prevent the issuance of any such cease trading order or suspension order against any securities of the Corporation and, if issued, to obtain the withdrawal thereof as soon as possible;

- (c) during the period commencing on the Effective Date and ending at the Closing Time, the Corporation will provide to the Agent, for review by the Agent and the Agent's Counsel, prior to filing or issuance thereof, any proposed disclosure document, including without limitation any financial statements, information circular or press release, subject to the Corporation's obligations under Applicable Securities Laws to make timely disclosure of material information; and
- (d) the Corporation will promptly comply, to the reasonable satisfaction of the Agent and the Agent's Counsel, with Applicable Securities Laws with respect to any material change, change in any material fact, occurrence or event of the nature referred to in Section 3(a) or Section 3(b) prior to the Closing Time.

Section 4 Corporation's Other Covenants

The Corporation agrees that:

- (a) prior to the Closing Time, the Corporation shall not take any action that would prevent the Corporation and the Agent from relying on the exemptions from the prospectus requirements of Applicable Securities Laws as contemplated by the Subscription Agreements;
- (b) prior to the Closing Time, the Corporation will allow the Agent and the Agent's Counsel to participate fully in the preparation and review of the Subscription Agreements, the Warrant Indenture and the Agent's Unit Option Certificates;
- (c) all written or oral opinions, advice, analysis and materials provided by the Agent to the Corporation in connection with the Offering are intended solely for the benefit and internal use of the Corporation and the Corporation agrees that no such opinion, advice, analysis or material shall be used by the Corporation for any other purpose or reproduced, disseminated, quoted from or referred to by the Corporation at any time, in any manner or for any purpose, nor shall any public reference to the Agent be made by the Corporation without the prior written consent of the Agent, not to be unreasonably withheld, in each specific instance. The Agent expressly disclaims any liability or responsibility to the Corporation, its management and board of directors, or any other party, including without limitation any past, present or future holder of any securities of the Corporation, by reason of unauthorized use, publication, distribution or reference to any oral or written opinions, advice, analysis or materials provided by the Agent or any unauthorized reference to the Agent or the engagement of the Agent hereunder;
- (d) prior to the Closing Time, the Corporation will make available its senior management persons to meet with potential investors if so requested by the Agent;
- (e) subject to any corporate reorganization, merger, plan of arrangement or take-over bid, it will use its commercially reasonable efforts to maintain the listing of the Common Shares on the TSXV until the third anniversary of the Closing Date;
- (f) subject to any corporate reorganization, merger, plan of arrangement or take-over bid, it will use its best efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Applicable Securities Laws of at least one of the Selling Jurisdictions for a period of three years after the last Closing Date;
- (g) the Corporation will use its reasonable best efforts to comply with all material TSXV policies, rules and regulations and the Applicable Securities Laws in the Reporting Jurisdictions;
- (h) prior to the Closing Time, the Corporation will carry on its Business in a prudent manner in accordance with industry standards and good business practice and will keep or cause to be kept proper books of accounts in accordance with applicable law;

- (i) the Corporation will use its best efforts to comply with all Applicable Securities Laws in the Selling Jurisdictions;
- (j) without the prior written consent of the Agent, not to be unreasonably withheld, the Corporation will not, from the date hereof until that date that is 90 days following the Closing Date, directly or indirectly, sell, or offer to sell, or announce the Offering of, or enter into or make any agreement or understanding, or announce the making or entry into of any agreement or understanding, to issue, sell or exchange any Common Shares, preferred shares, securities, convertible debt or securities exchangeable or convertible into Common Shares, except in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to any share incentive plan of the Corporation and other share compensation arrangements; (ii) outstanding warrants; (iii) obligations in respect of existing agreements; and (iv) the issuance of securities in connection with property or share acquisition in the normal course of business; and
- (k) the Corporation will comply with all of the obligations to be performed by it, and all of its covenants and agreements, under and pursuant to this Agreement, the Warrant Indenture, the Subscription Agreements and the Agent's Unit Option Certificates, except to the extent waived in writing by the Agent.

Section 5 Agent's Covenants

The Agent covenants and agrees with the Corporation that it will:

- (a) conduct its activities in connection with the Offering in compliance with this Agreement, all Applicable Securities Laws and the rules of the Canadian Investment Regulatory Organization applicable to the Agent;
- (b) take reasonable steps to confirm that each Subscriber is an accredited investor in order for the Corporation to rely upon the prospectus exemptions set forth in section 2.3 of National Instrument 45-106 - *Prospectus Exemptions* and, if applicable, obtain and retain all relevant information and documentation to evidence the steps taken to verify compliance with the exemption in accordance with Applicable Securities Laws;
- (c) not solicit subscriptions for the Units, trade in the Units or otherwise do any act in furtherance of a trade of the Units outside of the applicable Selling Jurisdictions except in accordance with this Agreement, the Subscription Agreements and in compliance with the applicable laws thereof, and with the express written consent of the Corporation, and provided that the Agent may so solicit, trade or act within such jurisdiction only if such solicitation, trade or act is in compliance with Applicable Securities Laws in such jurisdiction and does not: (i) obligate the Corporation to take any action to qualify or register any of its securities or any trade of any of its securities (including the distribution of the Units); (ii) obligate the Corporation to establish or maintain any office or director or officer in such jurisdiction; or (iii) subject the Corporation to any reporting or other requirement in such jurisdiction except for reports of exempt distributions required by such jurisdiction which are substantially similar to a Form 45-106F1;

- (d) it will obtain from each Subscriber subscribing through it a completed and executed Subscription Agreement in a form reasonably acceptable to the Corporation and to the Agent relating to the transactions herein contemplated, together with all documentation (including questionnaires and documents required by the TSXV, if any, and certificates) as may be necessary in connection with subscriptions for the Units, to ensure compliance with Applicable Securities Laws and the TSXV approval;
- (e) it will deliver to the Corporation at the Closing Date completed Subscription Agreements in respect of the Units to be issued under the Offering;
- (f) other than the Investor Presentation, it will not provide (and has not provided) to prospective purchasers an offering memorandum within the meaning of Applicable Securities Laws or other material detailing the business or affairs of the Corporation, and it will not advertise (and has not advertised) the Offering in (i) printed media of general and regular paid circulation, (ii) radio, (iii) television, or (iv) telecommunication (including electronic display) and will not make (and has not made) use of any green sheet or other internal marketing document without the prior consent of the Corporation, such consent not to be unreasonably withheld or delayed;
- (g) provide to the Corporation all necessary information in respect of the Agent and the Subscribers to allow the Corporation to file, with the Securities Commissions, if required, reports of the exempt distribution of the Units in accordance with the Applicable Securities Laws within ten (10) days of the Closing Date; and
- (h) cause any sub-agent or member of any Selling Dealer Group formed by it to acknowledge its agreement to be bound by the provisions of this Agreement.

Section 6 Representations and Warranties of the Corporation

As at the Closing Date, the Corporation represents and warrants to the Agent and the Subscribers, and acknowledges that the Agent and the Subscribers are relying upon such representations and warranties in connection with the purchase and sale of the Securities, as follows:

- (a) *Good Standing of the Corporation.* The Corporation is validly existing under the ABCA and is current and up-to-date with all filings required to be made by it pursuant to the ABCA and the regulations thereunder, and has all requisite corporate power and authority to carry on its business as currently conducted and to own, lease and operate its properties and assets and to carry out the transactions contemplated by this Agreement and the Documents and perform its obligations hereunder and thereunder. The Corporation is duly qualified or authorized to transact business and is in good standing (in respect of the filing of annual returns where required or other information filings under applicable corporations information legislation) in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business.

- (b) *Subsidiaries.* Other than its ownership of 2,150,538 common shares of Cascade Copper Corp., the Corporation has no direct or indirect ownership interest in any person.
- (c) *Share Capital of the Corporation.* As of the date hereof, prior to giving effect to the Offering, the authorized share capital of the Corporation consists of an unlimited number of Common Shares. As of the date hereof, 114,944,858 Common Shares are issued and outstanding as fully paid and non-assessable shares. As of the date hereof, other than 6,800,000 stock options outstanding under the Corporation's stock option plan and 93,880,072 Common Share purchase warrants and 1,398,400 broker warrants, and other than pursuant to this Agreement, there are no Outstanding Convertible Securities of the Corporation.
- (d) *Authorization.* The Corporation has full corporate capacity, power and authority to enter into this Agreement, the Subscription Agreements, the Warrant Indenture and the Agent's Unit Option Certificates, and to perform its obligations set out herein and therein (including, without limitation, to create, issue and sell the Units and to issue the Agent's Unit Options and Agent's Commission Units), and this Agreement is, and the Subscription Agreements, the Warrant Indenture and the Agent's Unit Option Certificates will be, on the Closing Date, duly authorized, executed and delivered by the Corporation and this Agreement is, and the Subscription Agreements, Warrant Indenture and Agent's Unit Option Certificates will be, on the Closing Date, legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms, subject to the general qualifications that such legality, validity, binding effect and enforceability may be limited by (i) applicable bankruptcy, reorganization, winding-up, insolvency, moratorium, arrangement or other laws affecting creditors' rights generally; (ii) equitable remedies, including the remedies of specific performance and injunctive relief, being available only in the discretion of the applicable court; (iii) the equitable or statutory powers of the courts in Canada having jurisdiction to stay proceedings before them and the execution of judgments; (iv) the possibility that rights to indemnity, contribution and waiver under this Agreement may be limited or unavailable under applicable law; (v) applicable laws regarding limitation of actions; and the validity, binding nature and enforceability of provisions in such agreements and each of the agreements contemplated hereby and thereby which purport to sever therefrom any provision which is unenforceable or invalid under applicable law without affecting the enforceability or validity of the remainder of such agreements would be determined in the discretion of a court of competent jurisdiction.
- (e) *Duly Issued.* At the Closing Time, (i) the Unit Shares, the Warrants, the Agent's Unit Options, the Agent's Commission Unit Shares (if any) and the Agent's Commission Warrants (if any) will be duly and validly created, authorized, allotted, issued and delivered; (ii) the Unit Shares, and the Agent's Commission Unit Shares (if any) will be issued as fully paid and non-assessable Common Shares in the capital of the Corporation; (iii) the Underlying Shares will be duly and validly authorized and reserved for issuance; and (iv) upon issuance in accordance with the due and proper exercise of the Securities, the Underlying Shares will be issued as fully paid and non-assessable Common Shares in the capital of the Corporation.

- (f) *Certificates.* The definitive form of certificates for the Common Shares and the Warrants (or Warrant Indenture, as applicable) and the Agent's Unit Option Certificates, have been, and will be on the Closing Date, duly authorized, approved and adopted by the Corporation and comply with all legal requirements relating thereto;
- (g) *Absence of Rights.* Other than as set out in Section 6(c), there is no right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the issue or allotment of any unissued common shares (or other shares in the capital of the Corporation) or any other agreement or option, for the issue or allotment of any unissued common shares (or other shares in the capital of the Corporation) or any other security convertible into or exchangeable for any common shares (or other shares in the capital of the Corporation) or to require the Corporation to purchase, redeem or otherwise acquire any of the issued and outstanding common shares.
- (h) *Financial Information.* The Financial Statements:
 - (i) presents fairly, in all material respects, the consolidated financial position of the Corporation, and the consolidated results of its operations and its cash flows, for the periods specified in such Financial Statements; and
 - (ii) conforms with International Financial Reporting Standards applicable in Canada ("**IFRS**");
- (i) *Off Balance Sheet.* The Corporation has not engaged in any "off balance sheet" or similar financing.
- (j) *Liabilities.* The Corporation has no material liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed, referred to or accrued and reserved against in the Financial Statements, other than liabilities, obligations, indebtedness or commitments incurred after December 31, 2023 in the normal course of business or in connection with the Offering, or which would not reasonably be expected to have a Material Adverse Effect, or which are of a nature not required to be disclosed in the Financial Statements accordance with IFRS;
- (k) *Non-Contravention.* The Corporation is not in violation of its constating documents. None of the Offering, the execution, delivery and performance of this Agreement or the Documents or the consummation of the transactions contemplated herein and therein, including the issue of the Units and the Agent's Unit Option (or, in each case, the issue of any securities issuable directly or indirectly thereunder), does or will:
 - (iii) require the consent, approval, authorization, order or agreement of, or registration or qualification with, any Governmental Authority or other person, except:
 - A. such as have been obtained; or

- B. such as may be required under the Applicable Securities Laws and the policies of the TSXV and will be obtained by the Closing Date (other than delivery to the TSXV of post-Closing materials or the filing of a report of exempt distribution on Form 45-106F1); or
- (iv) conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to the loss of or Lien upon any of the consolidated properties or assets of the Corporation under any provision of:

- A. the articles or by-laws of the Corporation, or

- B. subject to the filings and other matters referred to in the immediately following sentence:

- I. any contract to which the Corporation is a party or by which any of its properties or assets are bound;
 - II. any Law applicable to the Corporation, or any of its properties or assets; or
 - III. any material governmental authorization held or obtained by the Corporation,

other than any such conflicts, violations, terminations, defaults, rights, losses or Liens that would not, in any case of (i) or (ii) above, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

- (l) *Independent Accountants.* KPMG LLP, Chartered Professional Accountants, the accountants who reported on the Financial Statements have advised that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta. To the knowledge of the Corporation, there has never been any reportable event (within the meaning of NI 51-102) with the current or any former auditors of the Corporation.
- (m) *Mining.* The Corporation does not have and is not required to file a technical report pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* in respect of any of its mineral projects on the properties in which the Corporation holds an interest. The mining licences, claims, leases and other mineral property rights (the “**Mining Claims**”) and all other properties and assets of the Corporation, are validly held by the Corporation. The Mining Claims are free and clear of any Liens and royalties other than those encumbrances that are standard in the mining industry and which would not constitute a Material Adverse Effect on the ownership or operation of such assets and properties. No other mineral or property rights are necessary for the conduct of the Corporation’s business as presently conducted and there are no material restrictions on the ability of the Corporation to use, access, transfer or otherwise explore or exploit any such mineral or property rights except as required by Law. The Corporation beneficially and legally owns the required amount of the Mining Claims necessary

to carry on its current and proposed exploration and exploitation activities. In respect of all such Mining Claims:

- (i) the Corporation has not received or been issued any notice of default with respect to any of the terms or provisions of the Mining Claims;
 - (ii) the execution, delivery and performance of this Agreement or the Documents by the Corporation, and the consummation of the transactions contemplated herein and therein, will not cause a default or termination, or give rise to the right of termination, or rights of first refusal or other preemptive rights under any of the Mining Claims;
 - (iii) all exploration permits, leases, concessions, licences and mining claim payments, rentals, taxes, rates, assessments, renewal fees and other governmental charges owing in respect of the Mining Claims have been paid in full up to the date of this Agreement;
 - (iv) the Mining Claims are in good standing in all material respects with respect to the performance of all material obligations required under applicable Law (including the performance of all required exploration and exploitation work, the performance of all minimum assessment work and the timely filing of any reports, applications and further documents) and the condition of any related surface rights is in compliance with all applicable Laws and all orders of all governmental authorities having jurisdiction, including in respect of any material Environmental Laws;
 - (v) the Corporation holds all valid licenses, permits and similar rights and privileges that are required and necessary under applicable Law to operate the Mining Claims and all other material properties and assets as presently operated and where the failure to so hold such licenses and permits would constitute a Material Adverse Effect; and
 - (vi) there is no actual or, to the knowledge of the Corporation, threatened adverse claim against, or challenge to, the ownership of, or title to, the Mining Claims.
- (n) *Material Assets.* Other than Liens arising by Law or in the ordinary course of business, the properties and assets of the Corporation are free and clear of all Liens, and other than such security arrangements, liens, charges and other encumbrances or those which do not and will not reasonably be expected to have a Material Adverse Effect on the ownership or operation of such assets and properties, the Corporation has not done any act or suffered or permitted any action whereby any person has acquired an interest in or to the material properties and assets of the Corporation, nor has the Corporation done any act, omitted to do any act or permitted any act to be done, that may reasonably be expected to materially adversely affect or defeat its title to any of the material properties and assets of the Corporation. Any and all contracts pursuant to which the Corporation holds material assets or is entitled to the use of or to acquire ownership of material assets (whether directly or indirectly) are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms (subject to Enforceability Qualifications), and there is currently no material default of any of

the provisions of any such agreements nor has any such default been alleged, and the Corporation has no knowledge of any disputes with respect thereto, and all leases, licences, concessions, mineral rights and claims pursuant to which the Corporation has a material economic interest (whether legal or beneficial) in such material assets are in good standing and there has been no material default under any such leases, licences, concessions, mineral rights and claims.

- (o) *Environmental Laws.* Except to the extent that any violation or other matter referred to in this subparagraph does not have a Material Adverse Effect:
- (i) the Corporation is not in violation of any Environmental Laws;
 - (ii) the Corporation has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
 - (iii) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by the Corporation that have not been remedied;
 - (iv) no orders, directions or notices (other orders, directions or notices that are not specific to the Corporation) have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of the Corporation;
 - (v) the Corporation has not failed to report to the proper Governmental Authority, the occurrence of any event which is required to be so reported by any Environmental Law;
 - (vi) the Corporation holds all licences, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licences, permits and approvals are, to the knowledge of the Corporation, in full force and effect, except for: (A) notifications and conditions of general application to assets of the type owned by the Corporation; and (B) notifications relating to reclamation obligations under applicable Laws, and the Corporation has not received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by them as a condition of continued compliance with any Environmental Laws, or any licence, permit or approval issued pursuant thereto, or that any licence, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated; and
 - (vii) the Corporation has not received any notice of, or been prosecuted for an offence alleging, material non-compliance with any Environmental Laws, and the Corporation has not settled any allegation of material non-compliance short of prosecution.

- (p) *Conduct of Business; Possession of Licenses and Permits.* The Corporation has conducted and is conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business. The Corporation possesses such permits, certificates, licenses, approvals, consents and other authorizations issued by the appropriate Governmental Authorities necessary to own, lease or maintain the Interests (as defined herein) and to conduct the business now operated, as applicable (collectively, “**Governmental Licenses**”), except where the failure to possess such permits, certificates, licenses, approvals, consents or authorizations would not reasonably be expected to have a Material Adverse Effect. The Corporation is in compliance with the terms and conditions of all such Governmental Licenses, and is not in violation of, or in default under, applicable Laws (including Environmental Laws) of any Governmental Authorities having, asserting or claiming jurisdiction except where such non-compliance, violation or default would not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Corporation, all of the Governmental Licenses are valid and in full force and effect. The Corporation has not received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses.
- (q) *Material Contracts.* All of the material Contracts of the Corporation (collectively, the “**Material Contracts**”) have been disclosed in the Corporation’s Public Record and, if required under the Applicable Securities Laws to be filed on SEDAR+, have been filed on SEDAR+. The Corporation has not received notification from any party claiming that the Corporation is in material breach or default under any Material Contract.
- (r) *Restrictions on Dividends or Business.* The Corporation is not party to or bound or affected by any contract containing any covenant which expressly limits the freedom of the Corporation to compete in any line of business, transfer or move any of its assets or operations, or which materially adversely affects the consolidated business practices, operations or condition of the Corporation.
- (s) *Absence of Changes.* Since December 31, 2023, the Corporation has carried on business in the ordinary course and, except as disclosed in the Corporation’s Public Record, there has not been:
- (i) any material change in the consolidated assets, liabilities or obligations (absolute, accrued, contingent or otherwise), business, business prospects, condition (financial or otherwise) or results of operations of the Corporation, which has had or would reasonably be expected to have a Material Adverse Effect;
 - (ii) except as contemplated in this Agreement, any material change in the share capital or long-term debt of the Corporation;
 - (iii) any declaration, setting aside or payment of any dividend or other distribution with respect to any shares in the capital of the Corporation or any direct or indirect redemption, purchase or other acquisition of any shares; or
 - (iv) any change in accounting or tax practices followed by the Corporation.

- (t) *Absence of Proceedings.* To the Corporation's knowledge, there is no action, suit, proceeding, inquiry or investigation before or brought by any court or other Governmental Authority, domestic or foreign, now pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation and which if determined adversely would reasonably be expected to have a Material Adverse Effect, or which, if determined adversely, would reasonably be expected to materially adversely affect the consummation of the transactions contemplated in this Agreement or the performance by the Corporation of its obligations hereunder or under any of the Documents.
- (u) *Outstanding Judgements.* There is no outstanding judgement, order, decree, arbitral award or decision of any court or other Governmental Authority against the Corporation.
- (v) *No Insolvency.* The Corporation has not committed an act of bankruptcy or sought protection from its creditors from any court or pursuant to any Law, proposed a compromise or arrangement to its creditors generally, commenced any legal proceeding with respect to a compromise or arrangement, commenced any legal proceeding to have itself declared bankrupt or wound up, as the case may be, taken any proceeding to have a receiver appointed of any part of its assets, had any encumbrancer or receiver take possession of any of its property, had an execution or distress become enforceable or levied upon any portion of its property, or had any petition for a receiving order in bankruptcy or application for a bankruptcy order filed against it, and at the Closing, the Corporation will not be an insolvent person (as that term is defined in the *Bankruptcy and Insolvency Act* (Canada)).
- (w) *Unlawful Payment.* To the knowledge of the Corporation, none of the Corporation or any employee or agent of it, has made any unlawful contribution or other payment to any person holding, or candidate for, any federal, state, provincial or other public office, Canadian or foreign, or failed to disclose fully any contribution, in violation of any Law, or made any payment, to any federal, state, provincial or other governmental officer or official, Canadian or foreign, or other person charged with similar public or quasi-public duties, other than payments required or permitted by applicable Laws. Without limiting the generality of the foregoing, to the knowledge of the Corporation, neither the Corporation nor any of its employees or agent, has violated the *Corruption of Foreign Public Officials Act* (Canada) or similar Laws of another jurisdiction.
- (x) *Finder's Fees.* Other than the Agent, there is no person acting or, to the knowledge of the Corporation, purporting to act at the request of the Corporation, who is entitled to any brokerage or finder's fees from the Corporation in connection with the Offering.
- (y) *Authorization of Documents, etc.* This Agreement, each of the Documents, and the transactions contemplated herein and therein, have been, or will at the Closing be, duly authorized, executed and delivered by the Corporation and, in each case, will be a legal, valid and binding obligation of, and be enforceable against, the Corporation in accordance with its terms (subject to the Enforceability Qualifications). All corporate action required to be taken by the Corporation for the authorization, issuance, sale and delivery of the Units, Agent's Unit Option, the

Warrant Shares, the Agent's Unit Shares, the Agent's Unit Warrants and the Agent's Unit Warrant Shares has been validly taken at the date hereof or will have been taken by the Closing Date.

- (z) *No Default of Securities Laws.* The Corporation is not in default in any respect of any requirement of Applicable Securities Laws of any jurisdiction in which the Corporation is a 'reporting issuer', which would reasonably be expected to have a Material Adverse Effect on the Offering or the Corporation.
- (aa) *Disclosure.* The information prepared or compiled by the Corporation relating to the Corporation and its businesses, properties and liabilities, and included in the Corporation's Public Record, does not as of the date of such information contain a misrepresentation.
- (bb) *No Default.* Except for such matters as would not constitute a Material Adverse Effect, the Corporation is not in default of any material term, covenant or condition under any contract to which it is a party or to which it or any of its material property or assets (including any royalty or interest therein) thereof are subject, and no event has occurred and is continuing, and no circumstance currently exists which has not been waived, which constitutes a default under any such contract entitling any other party thereto to accelerate the maturity of any amount owing thereunder.
- (cc) *Voting Agreements.* Other than as disclosed in the Corporation's Public Record, the Corporation is not party to any agreement, nor is the Corporation aware of any agreement, which in any manner affects the voting control of any of the securities of the Corporation.
- (dd) *Shareholder Agreements.* Neither the Corporation nor, to the knowledge of the Corporation, any shareholder of the Corporation is a party to any shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of the Corporation.
- (ee) *Interest of Insiders; Conflicts.* Other than as disclosed in the Corporation's Public Record, to the knowledge of the Corporation:
 - (i) other than as disclosed in the Corporation's Public Record, none of the directors, officers or employees of the Corporation, any known holder of more than 10% of any class of shares of the Corporation, or any known associate or affiliate of any of the foregoing persons (as such terms are defined in the *Securities Act* (Alberta)), has had any material interest, direct or indirect, in any material transaction within the previous two years or has any material interest in any proposed material transaction involving the Corporation which, as the case may be, materially affected, is material to or will materially affect the Corporation;
 - (ii) to the knowledge of the Corporation, no insider of the Corporation (within the meaning of Applicable Securities Laws) has a present intention to sell any securities of the Corporation;
 - (iii) no officer, director, employee or known security holder of the Corporation has any cause of action or other claim against, or owes any amount to, the

Corporation, in connection with its business, except for claims in the ordinary course of business such as for accrued vacation pay, or for other amounts or matters which would not have a Material Adverse Effect;

- (iv) the Corporation does not owe any monies to, has any present loans to, or borrowed any monies from or is otherwise indebted to, any officer, director, employee, shareholder or any person not dealing at “arm’s length” (as such term is defined in the Tax Act) with any of them, except for usual employee reimbursements and compensation paid in the ordinary course of business; and
- (v) except as disclosed in the Corporation’s Public Record and usual employee or consulting arrangements made in the ordinary course of business, the Corporation is not a party to any contract with any officer, director, employee, shareholder or any other person not dealing at arm’s length with them.
- (ff) *Executive Compensation.* The directors and executive officers of the Corporation who are NEOs and their compensation arrangements (as applicable) with the Corporation, whether as directors, officers or employees are, in all material respects, as disclosed in the Corporation’s Public Record.
- (gg) *Interest in Revenues.* Except as disclosed in the Corporation’s Public Record, no officer, director, employee or any other person not dealing at arm’s length with the Corporation or any known associate or affiliate of any such persons, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on production from properties or assets of the Corporation or any revenue or rights attributed thereto.
- (hh) *Rights of First Refusal.* To the knowledge of the Corporation, other than rights of first refusal and similar rights in favour of working or joint interest owners in assets and properties not owned 100% by the Corporation, it is not aware of any outstanding rights of first refusal or other pre-emptive rights of purchase which entitle any person to acquire any of the rights, title, interests, property or assets of the Corporation.
- (ii) *Swaps.* Other than entered into in the ordinary course of business since December 31, 2023, the Corporation has not entered into any swaps.
- (jj) *Employees.* All material employment agreements, consulting agreements, severance agreements and change of control agreements in respect of any NEOs, have been, in all material respects, disclosed in the Corporation’s Public Record. The Corporation is in material compliance with all Laws respecting employment and employment practices, terms and conditions of employment, occupational health and safety, pay equity and wages, and there is not currently any labour disruption or conflict involving the Corporation. The Corporation is not a party to a collective bargaining agreement. To the Corporation’s knowledge, there are no union organizing efforts being made at the Corporation.

- (kk) *Indebtedness.* The Corporation has not guaranteed or otherwise given security for or agreed to guarantee or give security for any material liability, debt or obligation of any other person that is not the Corporation.
- (ll) *Insurance.* The properties and assets of the Corporation are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and, to the knowledge of the Corporation, such coverage is in full force and effect, and the terms of any policies in respect thereof have not been breached, and the insured has not failed to promptly give any notice or present any material claim thereunder.
- (mm) *Intellectual Property.* to the knowledge of the Corporation:
 - (i) the conduct of the Business of the Corporation does not infringe, violate or misappropriate upon the trademarks, trade names, patents or copyrights, domestic or foreign, or any other Intellectual Property, of any other person, except where such infringement could not have a material adverse effect on the Corporation;
 - (ii) the Intellectual Property which is not owned by the Corporation is being used by the Corporation only with the consent of or license from the rightful owner thereof, and all such licences are in full force and effect, except where the failure to have such consent or license could not have a material adverse effect on the Corporation;
 - (iii) there does not exist any claim of adverse ownership, invalidity or any other opposition to or conflict with any Intellectual Property as is necessary to conduct the Business of the Corporation, nor any pending or threatened suit, proceeding, claim, demand, action or investigation of any nature or kind against the Corporation relating to any Intellectual Property, except where such suit, proceeding, claim, demand, action or investigation could not have a material adverse effect on the Corporation; and
 - (iv) there are no Intellectual Property disputes, settlement negotiations, settlement agreements or communications relating to the foregoing between the Corporation and any other persons relating to or potentially relating to the business of the Corporation, which have not been resolved.
- (nn) *Taxes.* All material tax returns, reports, elections, remittances and payments of the Corporation required by applicable Law to have been filed or made in any applicable jurisdiction, have been filed or made (as the case may be), and are materially true, complete and correct, and all taxes of the Corporation have been paid or accrued in the Financial Statements (except in any case in which the failure to file, pay or accrue such taxes would not result in a Material Adverse Effect). Furthermore, to the knowledge of the Corporation, neither the Canada Revenue Agency nor any other taxation authority, foreign or domestic, has a current or subsisting assessment, claim or liability for Taxes due or to become due in connection with any review or examination of the tax returns of the Corporation (including, without limitation, any predecessor companies) that could have a material adverse effect on the Corporation, and, to the knowledge of the Corporation, no such assessments, claims or liabilities are being asserted or

threatened by the Canada Revenue Agency nor any other taxation authority, foreign or domestic.

- (oo) *Reporting Issuer.* The Corporation is, and will at Closing be, a “reporting issuer” (or the equivalent) in the provinces of Alberta and British Columbia, not in material default of any requirement of Applicable Securities Laws.
- (pp) *Petroleum Interests.* Although it does not warrant title, the Corporation does not have reason to believe that the Corporation does not, subject to the terms and conditions of the documents of title relating thereto, have title to or the right to produce and sell their petroleum, natural gas and related hydrocarbons (for the purpose of this subparagraph, the foregoing are referred to as the “**Interests**”) and does represent and warrant that the Interests are free and clear of adverse claims created by, through or under the Corporation except as disclosed in the Corporation’s Public Record or for those arising in the ordinary course of business, and that, to the knowledge of the Corporation, the Corporation holds its Interests under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements except where the failure to so hold their Interests would not have a Material Adverse Effect.
- (qq) *Defects.* To the knowledge of the Corporation, are no defects, failures or impairments in the title or right of the Corporation constituting its Interests, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could reasonably be expected to have a Material Adverse Effect on: (A) the quantity of and pre-tax present value of estimated future net revenue from the oil and natural gas reserves of the Corporation as shown in the Reserves Report; (B) the current production of the Corporation; or (C) the current cash flow of the Corporation, and the Corporation is not aware of any such pending or threatened action, suit, proceeding or inquiry. All operations of the Corporation and, to the knowledge of the Corporation, all operations by third parties, on or in respect of the assets and properties of the Corporation, have been conducted in accordance with good oilfield industry practices and good mining and engineering practices, as applicable, and in material compliance with applicable Laws.
- (rr) *Reserves Reports.*
 - (i) The Corporation made available to Deloitte, prior to the issuance of the Reserves Report and for the purpose of preparing such report, all information reasonably requested by Deloitte, which information did not contain any material misrepresentation at the time such information was so provided. The Corporation has no knowledge of a material adverse change in any information provided to Deloitte since that date. Deloitte has represented to the Corporation that their Reserves Report fully complies with the requirements of NI 51-101 as at the date thereof and the Reserves Report reasonably presents the Corporation’s proved and probable reserves attributable to the properties evaluated therein, as at the date stated therein, based upon information available at the time Deloitte was prepared and the assumptions as to the commodity prices and costs contained therein.

- (ii) The Reserves Report accurately and completely sets forth as at December 31, 2023, Deloitte's evaluation of the reserves in respect of the properties that are the subject of the Reserves Report and, since the date of preparation of such Reserves Report, there has been no change of which the Corporation is aware that would render either of the Reserves Report to be incorrect in any material adverse respect.
 - (iii) Neither Deloitte nor any other independent evaluator or consultant engaged by the Corporation has updated the Reserves Reports or independently evaluated the proved or probable reserves or other resources attributable to the properties evaluated therein (or any part thereof) or the resources attributable to any other properties in which the Corporation has an interest.
- (ss) *Claims.* To the knowledge of the Corporation, the Corporation has not received notice of, and the Corporation does not have knowledge of, any dispute or claim, potential or otherwise, involving any Governmental Authority or other person, including, without limitation, indigenous groups, which the Corporation reasonably believes would constitute a Material Adverse Effect on any Mining Claims, oil and gas exploration, development or production operations of the Corporation, the quantity and pre-tax present value of estimated future net revenue values of oil and natural gas reserves of the Corporation, current production volumes of the Corporation or the current cash flow of the Corporation.
- (tt) *No Cease Trade Orders.* No Securities Commission in any jurisdiction has issued any order which is currently outstanding preventing or suspending trading in any securities of the Corporation, no such proceeding is, to the knowledge of the Corporation, pending, contemplated or threatened. To the knowledge of the Corporation, none of its directors or officers are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange.
- (uu) *Stock Exchange Listing.* The issued and outstanding Common Shares in the capital of the Corporation are listed and posted for trading on the TSXV and the Unit Shares, Agent's Commission Unit Shares and Underlying Shares to be issued in connection with the Offering will be listed and posted for trading on the TSXV upon the Corporation complying with the usual conditions imposed by the TSXV with respect thereto and the Corporation is in material compliance with the by-laws, rules and regulations of the TSXV. Except as disclosed in the Corporation's Public Record, the Corporation is in compliance in all material respects with the current listing requirements and all other applicable policies, rules and regulations of the TSXV and has not taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the TSXV.
- (vv) *Transfer Agent and Registrar.* Computershare Trust Company of Canada, at its principal offices in Calgary, Alberta, has been duly appointed as the transfer agent and registrar for the Common Shares and the warrant agent for the Warrants.
- (ww) *Money Laundering Laws.* The operations of the Corporation is and to the knowledge of the Corporation has been conducted at all times in compliance with

applicable financial recordkeeping and reporting requirements of all applicable money laundering Laws (collectively, the “**Money Laundering Laws**”), and no action, suit or proceeding by or before any court or other Governmental Authority involving the Corporation with respect to the Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened.

- (xx) *Anti-Corruption Laws.* The Corporation has not, directly or indirectly, (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction; or (ii) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment of gift was, is, or would be prohibited under the *Canada 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 or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to the Corporation and its operations.
- (yy) *No Pending Changes to Law, etc.* The Corporation is not aware of any pending change or contemplated change to any applicable Law that could reasonably be expected to materially adversely affect the business of the Corporation.
- (zz) *Corporate Records.* The corporate records and minute books of the Corporation have been maintained in accordance with all applicable Laws and are complete and accurate in all material respects and contain the minutes of all meetings and all resolutions of the directors (including all committees comprised thereof) and shareholders of the Corporation, except as otherwise disclosed to the Agent. The financial books and records and accounts of the Corporation in all material respects:
 - (i) have been maintained in accordance with good business practices on a basis consistent with past practice; and
 - (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of the Corporation.
- (aaa) *Information.* The Corporation has not knowingly and intentionally withheld from the Agent any material facts relating to the Corporation or the Offering.
- (bbb) *Due Diligence Session.* The Due Diligence Session Responses will be true and correct where they relate to matters of fact, and in all material respects as at the time such responses are given and, to the knowledge of the Corporation, such responses taken as a whole shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given, and the Corporation and its directors and officers will have responded in a thorough and complete fashion. Where the Due Diligence Session Responses reflect the opinion or view of the Corporation or its directors or officers (including, Due Diligence Session Responses or portions of such Due Diligence Session Responses, which are forward-looking or otherwise relate to projections, forecasts or estimates of future performance or results (operating, financial or otherwise)) (“**Forward-looking Statements**”), such opinions or views are subject to the qualifications and provisions set forth in the Due Diligence

Session Responses and will be honestly held and believed to be reasonable at the time they are given; provided, however, it shall not constitute a breach of this paragraph solely if the actual results vary or differ from those contained in Forward-looking Statements.

- (ccc) *Reasonable Steps.* The Corporation has taken or will take, prior to the Closing Date, all such reasonable steps as may be necessary to comply with such requirements of Applicable Securities Laws such that the Units may, in accordance with Applicable Securities Laws, be offered for sale and sold on a private placement basis in the Selling Jurisdictions through the Agent or any other investment dealers or brokers registered in the applicable Selling Jurisdictions and complying with Applicable Securities Laws by way of the exemptions to the prospectus requirements.

It is further agreed by the Corporation that all representations, warranties and covenants in this Section 6 made by the Corporation to the Agent shall also be deemed to be made for the benefit of the Subscribers as if the Subscribers were also parties hereto (it being agreed that the Agent are acting for and on behalf of the Subscribers for this purpose).

Section 7 Conditions

The obligations of the Agent hereunder shall be conditional upon the Agent being satisfied with and/or receiving, as applicable, and the Agent shall have the right on the Closing Time, on behalf of the Subscribers, to withdraw all Subscription Agreements delivered and not previously withdrawn by Subscribers, unless the Agent is satisfied with and/or receives at the Closing Time:

- (a) a legal opinion of the Corporation's Counsel (addressed to the Agent, the warrant agent and the Subscribers) in form and substance satisfactory to the Agent, acting reasonably, relating to the creation, offering, issuance and sale of the Securities, including, without limitation, the matters set forth in **Schedule A** hereto, and as to all other legal matters, including compliance with Applicable Securities Laws, in any way connected with the creation, offering, issuance, sale and delivery of the Securities as the Agent and the Agent's Counsel may reasonably request.

It is understood that the Corporation's Counsel may rely on the opinions of local counsel acceptable to them as to matters governed by the laws of jurisdictions other than the jurisdiction of residence of such Corporation's Counsel or the federal laws of Canada and on certificates of officers of the Corporation, the transfer agent of the Common Shares and the auditors of the Corporation as to relevant matters of fact;

- (b) a certificate of the Corporation dated the Closing Date, addressed to the Agent and the Subscribers and signed on the Corporation's behalf by two senior officers or directors of the Corporation, in a form satisfactory to the Agent, acting reasonably, certifying that:
 - (i) the Corporation has complied with and satisfied all terms and conditions of this Agreement, the Warrant Indenture, the Subscription Agreements and the Agent's Unit Option Certificates on its part to be complied with or

satisfied at or prior to the Closing Time, other than those which have been waived in writing by the Agent;

- (ii) the representations and warranties of the Corporation set forth in this Agreement, the Warrant Indenture, the Subscription Agreements and the Agent's Unit Option Certificates are true and correct in all material respects at the Closing Time, as if made at such time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date);
- (iii) no event of material default under any material agreement or instrument to which the Corporation is a party has occurred and no event which with the giving of notice or the passage of time or both would constitute an event of material default under any such agreement or instrument has occurred and is continuing;
- (iv) no event of a nature referred to in Section 12(a), (b), (c), (e) or (g) of this Agreement has occurred since the Effective Date of this Agreement or to the knowledge of such officers or directors is pending, contemplated or threatened (excluding, in the case of Section 12(c), (e) or (g) of this Agreement, any requirement to make any determination as to the Agent's opinion);
- (v) there have been no material changes to the Due Diligence Session Responses; and
- (vi) except with respect to post-closing notice filings required under applicable Canadian federal or provincial securities laws, the Corporation has made, on or prior to the Closing Time, all necessary filings under Applicable Securities Laws, including with the TSXV, and obtained any necessary consent or approval under Applicable Securities Laws and any applicable agreement or document to which the Corporation is a party or by which it is bound, required for the execution and delivery of this Agreement, the Warrant Indenture, the Subscription Agreements and the Agent's Unit Option Certificates, the offering and sale in the applicable Selling Jurisdictions of the Units, the issuance of the Agent's Commission Units and the Agent's Unit Options and the consummation of the other transactions contemplated hereby or thereby (subject to completion of filings with certain regulatory authorities following the Closing Date),

and the Agent shall have no knowledge to the contrary;

- (c) the definitive certificates representing or evidence of non-certificated inventory book-based registration or electronic confirmation respecting:
 - (i) the Units subscribed for or purchased under the Offering (including exercise of the Over-Allotment Option, if applicable), registered in such name or names as the Agent shall notify the Corporation in writing of not less than 24 hours prior to the Closing Time, provided such Unit Shares and Warrants registered in such names may, subject to receipt by the Corporation of a satisfactory indemnity, be delivered in advance of the

Closing Date to the Agent or such other parties in such locations as the Agent may direct and the Agent and the Corporation may agree upon;

- (ii) the Agent's Commission Units (if any) and the Agent's Unit Options, registered in such name or names as the Agent shall notify the Corporation in writing of not less than 24 hours prior to the Closing Time, provided such Agent's Commission Units (if any) and such Agent's Unit Options registered in such names may, subject to receipt by the Corporation of a satisfactory indemnity, be delivered in advance of the Closing Date to the Agent or such other parties in such locations as the Agent may direct and the Agent and the Corporation may agree upon;
- (d) executed copies of this Agreement, each of the Subscription Agreements and the Warrant Indenture, and all other documents to be delivered pursuant to this Agreement, each in form and substance reasonably satisfactory to the Agent and the Agent's Counsel;
- (e) evidence that the Corporation has filed all necessary documentation with the TSXV in form and substance reasonably satisfactory to the Agent and the Agent's Counsel for:
 - (i) the issuance of the Unit Shares, the Warrants, the Agent's Commission Units (if any) and the Agent's Unit Options; and
 - (ii) the listing of the Unit Shares, the Agent's Commission Unit Shares and the Underlying Shares,subject to the filing of documents and the payment of fees which may be required by the TSXV;
- (f) the Agent shall have completed and be satisfied, in its sole discretion, with the results of its due diligence investigations regarding the Corporation, its Business, operations and financial condition and market conditions at the Closing Time; and
- (g) such further and other documentation as may be contemplated by this Agreement and such other certificates and documents as the Agent may request, acting reasonably.

The foregoing conditions are for the sole benefit of the Agent and may be waived in whole or in part by the Agent at any time and, without limitation, the Agent shall have the right, on behalf of potential Subscribers, to withdraw all Subscription Agreements delivered and not previously withdrawn or rescinded by such persons. If any of the foregoing conditions are not met, the Agent may terminate its obligations under this Agreement without prejudice to any other remedies it may have.

Section 8 Closing

The issue and sale of the Units shall be completed at the Closing Time by electronic means or by such other means as the Corporation and the Agent may agree. Subject to the conditions set forth in Section 7, the Agent, on the Closing Date, shall:

- (a) deliver to the Corporation all completed Subscription Agreements (including any applicable documents specifically referred to in the Subscription Agreements and required by Applicable Securities Laws), in form and substance reasonably satisfactory to the Corporation and the Corporation's Counsel;
- (b) deliver to the Corporation originally executed copies of all forms required under Applicable Securities Laws and by the TSXV from each of the Subscribers;
- (c) deliver a certified cheque or bank draft, or effect the wire transfer of funds, to the Corporation in an amount equal to the aggregate of all subscriptions for the Units delivered to and accepted by the Corporation, net of the fees and expenses provided for in Section 9 and Section 10, respectively; and
- (d) such further documentation as may be contemplated by this Agreement or that may reasonably be requested by the Corporation,

against delivery by the Corporation to the Agent of:

- (e) the definitive certificates (or evidence of electronic deposit) for the Securities referred to in Section 7(c), the opinion referred to in Section 7(a), the certificates referred to in Section 7(b) hereof and executed copies of the documents referred to in Section 7(d), to be delivered at the Closing Time; and
- (f) such further documentation as may be contemplated by this Agreement or that may reasonably be requested by Agent's Counsel.

The Corporation may not reject any properly completed Subscription Agreement received from Subscribers resident in the Selling Jurisdictions which is in compliance with Applicable Securities Laws, unless (i) the principal amount of the Units subscribed for or purchased pursuant to all Subscription Agreements tendered by the Agent exceeds the maximum principal amount to be sold under this Agreement, in which case Subscription Agreements representing the over-allotment shall, in consultation with the Agent, be rejected or (ii) the acceptance of such Subscription Agreement may breach or violate any Applicable Securities Laws.

Section 9 Agent's Commission, Corporate Finance Fee and Agent's Unit Options

In consideration for the services provided by the Agent hereunder, the Corporation agrees to pay the Agent, on the Closing Date:

- (i) the Agent's Commission;
- (ii) the Agent's Unit Options; and
- (iii) the Corporate Finance Fee.

The Corporate Finance Fee and the cash portion of the Agent's Commission (if any) will be deducted from the aggregate gross proceeds of the sale of the Units and withheld for the account of the Agent.

Section 10 Expenses

Whether or not the transactions contemplated herein shall be completed, the Corporation will be responsible for all documented out-of-pocket expenses reasonably incurred by the Agent from time to time in connection with the creation, issue, sale or distribution of the Units including reasonable fees and disbursements of legal counsel to the Agent (to a maximum of \$35,000, exclusive of disbursements and taxes), and up to \$10,000 of expenses incurred by the Agent incidental to the sale, issue or distribution of Units and all matters in connection with the transactions herein (collectively, the **"Agent's Expenses"**). The Corporation will also be responsible for any exigible GST on the foregoing amounts. The Corporation covenants and agrees to fully reimburse the Agent from time to time for such reasonable expenses as soon as practical following the receipt by the Corporation of one or more invoices. The Agent's Expenses shall be payable by the Corporation whether or not the Offering is completed immediately upon receiving an invoice therefor from the Agent: (i) at the Closing Time; (ii) upon the issuance of an invoice from the Agent; or (iii) upon the termination of the Offering. The Agent hereby confirms and acknowledges that a \$10,000 expense retainer in respect of the Agent's Expenses has been paid to the Agent prior to the Closing of the Offering.

Section 11 Waiver

The Agent may, in respect of the Corporation, waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, covenant, term or condition hereof, or extend the time for compliance therewith, without prejudice to any of its rights in respect of any other representation, warranty, covenant, term or condition hereof or any other breach of, default under or non-compliance with any other representation, warranty, covenant, term or condition hereof, provided that any such waiver or extension shall be binding on the Agent only if the same is in writing.

Section 12 Termination Events

In addition to any other remedies which may be available to the Agent, the Agent shall be entitled, at its option, to terminate and cancel, without any liability on the Agent's part, its obligations hereunder, and the obligations of any Subscriber under any Subscription Agreement provided the Agent, by written notice to the Corporation, in the event that after the Effective Date and at or prior to the Closing Time:

- (a) any of the Subscribers for Units in the Selling Jurisdictions or the Agent's Securities would be subject to a hold period of greater than four months and one day following the Closing Date under Applicable Securities Laws in the Selling Jurisdictions;
- (b) any order to cease or suspend trading in any securities of the Corporation, or prohibiting or restricting the issuance and/or distribution of the Securities is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, or by any other competent authority, and the same has not been rescinded, revoked or withdrawn;
- (c) any inquiry, investigation (whether formal or informal) or other proceeding in relation to the Corporation, or the Corporation's affairs, records or accounts or any of its directors, officers, promoters or insiders is announced or commenced

by any securities commission, or by any other competent authority, or any order is issued under or pursuant to any applicable law or regulatory authority (unless based on the activities or alleged activities of an Agent or its agent), or there is any change of law, regulation or policy or the interpretation or administration thereof, and the same has not been rescinded, revoked or withdrawn, which, in the sole opinion of the Agent, could reasonably be expected to materially adversely affect or may materially adversely affect, the issuance and/or distribution of the Securities;

- (d) there should develop, occur or come into effect or existence any event, action, state, condition (including, without limitation, terrorism or accident) or financial occurrence of national or international consequence, or any action by government, law or regulation, enquiry or any other occurrence of any nature whatsoever which in the sole opinion of the Agent, acting reasonably, materially adversely affects, or involves, or might be expected to materially adversely affect or involve, the financial markets or the Business, operations or affairs of the Corporation or the state of the financial markets or the Corporation's industry is such that the Units cannot, in the sole opinion of the Agent, be successfully or profitably marketed;
- (e) there should occur any change, event, fact or circumstance (actual, contemplated or threatened) of the nature referred to in Section 3(a) hereof or any development that could result in such a change, event, fact or circumstance, any of which, in the sole opinion of the Agent, acting reasonably, could be expected to have a material adverse effect on the Business, operations, capital condition (financial or otherwise), properties, assets, liabilities, obligations or affairs of the Corporation or the market price or value or the marketability of the Units;
- (f) in the sole opinion of the Agent, acting reasonably, the Corporation is in breach of, default under or non-compliance with any representation, warranty, covenant, term or condition of this Agreement, the Warrant Indenture, the Subscription Agreements or the Agent's Unit Option Certificates; or
- (g) the Agent shall become aware, as a result of its due diligence review or otherwise, of any adverse material information, fact or change (in the sole opinion of the Agent, acting reasonably) with respect to the Corporation which had not been publicly disclosed or disclosed in writing to the Agent prior to the Effective Date or which occurred after the Effective Date but prior to the Closing Time,

in any of such cases, the Agent shall be entitled, at its option, to terminate and cancel its obligations to the Corporation under this Agreement and the obligations of any Subscriber provided by the Agent under any Subscription Agreement. If the Agent elects to terminate its obligations to the Corporation under this Agreement whether or not the reason for such termination is within or beyond the control of the Corporation, the liability of the Corporation to the Agent under this Agreement or with respect to the subject matter hereof shall be limited to Section 10, Section 15 through Section 18 inclusive and Section 22.

Section 13 Continuation of Termination Right

The Agent may exercise any or all of the rights provided for in Section 7, Section 11 or Section 12 notwithstanding any material change, change, event or state of facts and notwithstanding any act or thing taken or done by the Agent or any inaction by the Agent, whether before or after the occurrence of any material change, change, event or state of facts including, without limitation, any act of the Agent related to the offering or continued offering of the sale of the Units. The Agent shall only be considered to have waived or be estopped from exercising or relying upon any of its rights under or pursuant to Section 7, Section 11 or Section 12 if such waiver or estoppel is in writing and specifically waives or estops such exercise or reliance.

Section 14 Exercise of Termination Right and Effect of Termination Right

Any termination pursuant to the terms of this Agreement shall be effected by notice in writing delivered to the Corporation, provided that no termination shall discharge or otherwise affect any obligation of the Corporation under Section 10, Section 15, Section 16, Section 17, Section 18 or Section 22 hereof. The rights of the Agent or the Corporation to terminate the obligations hereunder are in addition to, and without prejudice to, any other remedies it may have.

Section 15 Survival

All representations, warranties, covenants, indemnities, terms and conditions herein or contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated herein shall survive the payment by the Agent for the Units and shall continue in full force and effect for the benefit of the Agent and the Subscribers, on the one hand, and the Corporation on the other hand, for the applicable period of two years, regardless of any investigation by or on behalf of the Agent, or the Corporation, respectively, with respect thereto.

Section 16 Indemnity

The Corporation shall indemnify and save each of the Indemnified Persons harmless from and against from and against any and all expenses, losses, claims, including shareholder actions, derivative or otherwise, actions, costs, damages and liabilities, joint or several, (including, without limitation, the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity) to which any Indemnified Persons may become subject or otherwise involved in any capacity under any statute or common law or otherwise, in any way caused by, or arising directly or indirectly from or in consequence of:

- (a) any information or statement contained in this Agreement, the Public Record, the Documents or any certificate or other information or documents delivered by or on behalf of the Corporation to the Agent hereunder or in connection with the Offering, including, for greater certainty, the distribution of the Units or the Agent's Securities, which is or is alleged to be untrue or any omission or alleged omission to provide any information or state any fact the omission of which makes or is alleged to make any such information or statement untrue or misleading in light of the circumstances in which it was made;

- (b) any misrepresentation or alleged misrepresentation contained in this Agreement, the Public Record or the Documents (except a misrepresentation or alleged misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent or the Agent's Counsel expressly for inclusion in the Documents);
- (c) any prohibition or restriction of trading in any of the securities of the Corporation or any prohibition or restriction affecting the distribution of the Units or the Agent's Securities (not based upon the activities or the alleged activities of the Agent, the Selling Dealer Group members, if any, or any third party not controlled by the Corporation or its affiliates) imposed by any of the Securities Commissions or any other competent authority;
- (d) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any of the Securities Commissions or any other one or more competent authorities (not based upon the activities or the alleged activities of the Agent or the Selling Dealer Group members, if any, or any third party not controlled by the Corporation or its affiliates) into the affairs of the Corporation or any of the Corporation's directors, officers or principal shareholders or relating to or affecting the trading or distribution of the Units or the Agent's Securities; or
- (e) any breach of, default under or non-compliance by the Corporation with any representation, warranty, term or condition of this Agreement, the Warrant Indenture, the Subscription Agreements or the Agent's Unit Option Certificates, or any requirement of Applicable Securities Laws or the acceptance of a Subscription Agreement from, and the issuance of Units pursuant thereto to, a Subscriber resident in or subject to the securities laws of a jurisdiction other than Canada and who was apprised of the private placement described herein by an entity other than the Agent or any of its affiliates;

provided that in the event and to the extent that a court of competent jurisdiction in the final judgment from which no appeal can be made or a regulatory authority in a final ruling from which no appeal can be made shall determine that any matter in respect of which indemnity may be sought hereunder resulted solely from any gross negligence or wilful misconduct of an Indemnified Person, this indemnity shall not apply.

The Corporation hereby waives its right to recover contribution from the Agent with respect to any liability of the Corporation by reason of or arising out of any misrepresentation in the Public Record or the Documents or performance of professional services rendered to the Corporation by an Indemnified Person under this agreement or otherwise in connection with the matters referred to in this agreement, except to the extent that any expenses, losses, claims, actions, costs, damages or liabilities incurred by the Corporation are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have been primarily caused by the gross negligence or willful misconduct of such Indemnified Person.

The Corporation agrees that in case any legal proceedings or investigation shall be brought against or initiated against the Corporation by any governmental commission, regulatory authority, exchange, court or other authority and an Indemnified Person or other representative of the Agent shall be required to testify or respond to procedures designed to discover information regarding, in connection with or relating to the performance of professional services rendered to

the Corporation by the Agent, the Corporation shall pay the Agent the reasonable costs (including an amount to reimburse the Agent for the time spent by its personnel in connection therewith on a per diem basis and out of pocket expenses) in connection therewith unless such proceedings or investigations shall be brought or initiated as a result of any gross negligence or wilful misconduct or any actions or inactions of the Agent, or any of its affiliates or any member of the Selling Dealer Group.

It is the intention of the Corporation to constitute the Agent as trustee for the Indemnified Persons for the purposes of Section 16, Section 17 and Section 18 and the Agent agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

The rights and remedies of the Indemnified Person set forth in Section 16 and Section 17 hereof are to the fullest extent possible in law, cumulative and not alternative, and the election by any or other Indemnified Person to exercise any such right or remedy shall not be, and shall not be deemed to be, a waiver of any other rights and remedies.

The Corporation waives any right the Corporation may have of first requiring an Indemnified Person to proceed against or enforce any other right, power, remedy or security or claim or to claim payment from any other person before claiming under this indemnity. It is not necessary for an Indemnified Person to incur expense or make payment before enforcing such indemnity.

Section 17 Notice of Indemnity Claim

If any claim contemplated by Section 16 shall be asserted against any of the Indemnified Persons in respect of which indemnification is or might reasonably be considered to be provided for in such section, such Indemnified Person shall notify the Corporation as soon as possible of the nature of such claim. The omission so to notify the Corporation shall not relieve the Indemnitor of any liability which the Indemnitor may have to any Indemnified Persons except only to the extent that any such delay in or failure to give notice as herein required materially prejudices the defence of such action, suit, proceeding, claim or investigation or results in any material increase in the liability which the Corporation would otherwise have under this indemnity had an Indemnified Party not so delayed in or failed to give the notice required hereunder.

Within thirty (30) days of receipt of such notice, the Corporation shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim at its own expense, provided, however, that the defence shall be through legal counsel selected by the Corporation and acceptable to the Indemnified Person, acting reasonably. The Indemnified Person shall have the right to retain its own counsel in any proceeding relating to a claim contemplated by Section 16 if:

- (a) the Indemnified Person has been advised in writing by counsel that there may be an actual or potential conflict in the Corporation's and the Indemnified Person's respective interest or there may be a material legal defence available to the Indemnified Person which is different from or additional to a defence available to the Corporation (in which case the Corporation shall not have the right to assume the defence of such proceedings on the Indemnified Person's behalf);
- (b) the Corporation shall not have undertaken the defence of such proceedings, or indicated its intent to do so, and employed counsel within thirty (30) days after notice of commencement of such proceedings; or

- (c) the employment of such counsel has been authorized by the Corporation in connection with the defence of such proceeding;

and, in any such event, the reasonable fees and expenses of such Indemnified Person's counsel (on a solicitor and his client basis) shall be paid by the Corporation; it being understood, however, that the Corporation shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate law firm (in addition to any local counsel) for all Indemnified Persons. No admission of liability and no settlement of any proceeding shall be made without the consent of the Indemnified Persons affected, such consent not to be unreasonably withheld or delayed. No admission of liability shall be made by an Indemnified Person without the consent of the Corporation, such consent not to be unreasonably withheld or delayed, and the Corporation shall not be liable for any settlement or any proceeding made without its consent, such consent not to be unreasonably withheld or delayed.

Section 18 Right of Contribution

In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is (in whole or in part), for any reason, held by a court to be unavailable from the Corporation on grounds of policy or otherwise, each of the Corporation and the party or parties seeking indemnification shall contribute to the aggregate liabilities, claims, demands, losses (other than losses of profit), costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) to which they may be subject or which they may suffer or incur:

- (a) in such proportion as is appropriate to reflect the relative benefit received by the Corporation on the one hand and by the party or parties seeking indemnity on the other hand from the Offering; or
- (b) if the allocation provided by Section 18(a) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in Section 18(a) but also to reflect the relative fault of the party or parties seeking indemnity, on the one hand, and the party or parties from whom indemnity is sought, on the other hand, in connection with the statement, omission, misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing which resulted in such liabilities, claims, demands, losses, costs, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Corporation, on the one hand, and the Agent, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the Offering received by the Corporation (net of fees but before deducting expenses) bear to the consideration received by the Agent.

The amount paid or payable by an Indemnified Person as a result of liabilities, claims, demands, losses (other than losses of profit), costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) referred to above shall, without limitation, include any legal or other expenses reasonably incurred by the Indemnified Person in connection with investigating or defending such liabilities, claims, demands, losses, costs, damages and

expenses (or claims, actions, suits or proceedings in respect thereof), whether or not resulting in any action, suit, proceeding or claim.

The Corporation agrees that it would not be just and equitable if contributions pursuant to this Agreement were determined by *pro rata* allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding sections. The rights to contribution provided in this Section 18 shall be in addition to, and without prejudice to, any other right to contribution which the Agent may have.

Any liability of the Agent under this Section 18 shall be limited to the amount payable to the Agent pursuant to Section 9.

The obligations under the indemnity and right of contribution provided herein shall apply whether or not the transactions contemplated by this Agreement are completed and shall survive the completion of the transactions contemplated under this Agreement and the termination of this Agreement.

Section 19 Severance

If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall be deemed not to affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

Section 20 Relationship Between the Corporation and the Agent

The Corporation: (a) acknowledges and agrees that the purchase and sale of the Units pursuant to this Agreement is an arm's length commercial transaction between the Corporation, on the one hand, and the Agent, on the other; (b) acknowledges and agrees that the Agent may have certain statutory obligations as registrant under the Applicable Securities Laws and may have fiduciary relationships with its clients; (c) acknowledges and agrees that the Agent is not a fiduciary of the Corporation; and (d) consents to the Agent acting hereunder while continuing to act for its clients. To the extent that the Agent's statutory obligations as a registrant under the Applicable Securities Laws or fiduciary relationships with its clients (if any) conflict with obligations hereunder, the Agent shall be entitled to fulfill its statutory obligations as a registrant under the Applicable Securities Laws and its duties to its clients. Nothing in this Agreement shall be interpreted to prevent the Agent from fulfilling its statutory obligations as a registrant under the Applicable Securities Laws or to act as a fiduciary of its clients.

In connection with the above, the Corporation acknowledges and agrees that the Agent has not assumed an advisory or fiduciary responsibility in favour of the Corporation with respect to the Offering or the process leading thereto (irrespective of whether the Agent has advised or is currently advising the Corporation on other matters) or any other obligation to the Corporation other than the obligations expressly set forth in this Agreement, that the Agent has not provided any legal, accounting, regulatory or tax advice with respect to the Offering and that the Corporation has consulted its own legal, accounting, regulatory, tax and financial advisors to the extent the Corporation deemed appropriate. The Corporation agrees that it will not claim that the Agent has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Corporation in connection with the Offering or the process leading thereto.

Section 21 Appointment of the Agent

The Corporation acknowledges and agrees that the Agent has been appointed as agent or power of attorney to perform certain functions on behalf of the Subscribers, including properly filling out the Subscription Agreements and to make certain decisions as set forth in the Subscription Agreements. The Corporation will use all reasonable commercial efforts to assist the Agent in carrying out its appointment in this regard.

Section 22 Future Financings and Business

- (a) Upon successful completion of a financing of \$1,000,000, or greater, if at any time from the Effective Date until the date that is one (1) year from the Closing Date, the Corporation (a) proposes to obtain additional equity financing by private placement or public offering, (b) proposes a material corporate transaction, such as an amalgamation, recapitalization, merger, take-over bid, joint venture, plan of arrangement or reorganization, or (c) receives an unsolicited take-over bid, and the Corporation requires the services of a manager, underwriter, private placement agent and/or financial advisor, or other professional services, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer, the Corporation agrees to engage the Agent as its lead manager, underwriter, private placement Agent and/or exclusive financial advisor (as the case may be, depending on the nature of the transaction) in connection with such transaction, subject to agreeing on mutually acceptable fee arrangements. The terms and conditions relating to any such services will be outlined in a separate engagement letter, underwriting agreement or agency agreement and the fees for such services will be in addition to the fees payable pursuant to this Agreement, will be negotiated separately and in good faith and will be consistent with fees paid to Canadian investment bankers for similar services to similar companies.
- (b) Notwithstanding Section 22(a), if the Corporation receives an unsolicited offer to provide any such services from another manager, underwriter, private placement agent or financial advisor (as the case may be, depending on the nature of the transaction), or professional services, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer, the Corporation shall provide written notice to the Agent of the terms of the proposed transaction, including any commission payable, and the Agent will have the option to accept the mandate on substantially the same terms as set out in the notice within 5 days of receiving the notice. Failure to respond within 5 days shall deem the Agent to have declined its option under this Agreement. If the Agent declines to accept the terms of the offer from the Corporation, the Corporation may engage any other person as manager, underwriter, private placement agent and/or financial advisor, provided that such terms and conditions or any such engagement shall be no more favourable to such other person as the terms and conditions offered by the Corporation to the Agent. Where the Agent declines to accept the terms of the offer, the right shall be waived for that particular engagement only. If the Agent declines, in writing, or fails to respond within 5 days of such notice, the Corporation may proceed with such offering through another agent or underwriter, provided the arrangements with such agent or underwriter are entered into within 30 days thereafter (it being acknowledged and agreed by the Agent that if the Corporation issues any securities to which the foregoing

would apply, but does not retain or utilize a registered dealer as agent therefore, the foregoing shall not apply to such issuance, unless any of the subscribers to the issuance of such securities is a subscriber or beneficial purchaser of Securities pursuant to the Offering).

Section 23 Notices

Any notice or other communication to be given hereunder shall be addressed:

- (a) If to the Corporation, to:

Tuktu Resources Ltd.
960, 630 – 6th Avenue S.W.
Calgary, Alberta T2P 0S8

Attention: Mark Smith
E-mail: *[Redacted – Email address]*

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

Stikeman Elliott LLP
Bankers Hall West
Suite 4200, 888 - 3rd Street S.W.
Calgary, AB T2P 5C5

Attention: Sony Gill
E-mail: *[Redacted – Email address]*

- (b) If to Canaccord, to:

Canaccord Genuity Corp.
Centennial Place - East Tower
Suite 2400, 520 3rd Ave SW
Calgary, AB T2P 0R3

Attention: Anthony Petrucci
E-mail: *[Redacted – Email address]*

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

DLA Piper (Canada) LLP
10th Floor, Livingston Place, West Tower
250 2nd Street SW
Calgary, AB T2P 0C1

Attention: Trevor Wong-Chor
E-mail: *[Redacted – Email address]*

or to such other address as the party may designate by notice given to the others. Each communication shall be personally delivered to the addressee or sent by electronic mail transmission to the addressee, and:

- (a) a communication which is personally delivered shall, if delivered before 4:30 p.m. (Calgary time) on a Business Day, be deemed to be given and received on that day and, in any other case be deemed to be given and received on the first Business Day following the day on which it is delivered; and
- (b) a communication which is sent by electronic mail transmission shall, if sent on a Business Day before 4:30 p.m. (Calgary time), be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is sent.

Section 24 Announcements

Subject to Applicable Securities Laws, the Corporation acknowledges and agrees that no press release or public announcement in connection with this Offering or the relationship between the Corporation and the Agent shall be made without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed. Nothing in this paragraph or this Agreement shall operate or have the effect of precluding the Corporation from discharging its continuous disclosure obligations or other obligations under Applicable Securities Laws.

Section 25 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The Corporation and the Agent hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta.

Section 26 Time of the Essence

Time shall be of the essence of this Agreement.

Section 27 Headings

The headings in this Agreement are for convenience of reference only and are not to affect the construction and interpretation of this Agreement.

Section 28 Included Words

Wherever the singular or masculine is used in this Agreement, the same is deemed to include the plural or the feminine or the body corporate where the context or the parties so require.

Section 29 Binding Agreement

This Agreement will bind and benefit each of the parties including their respective successors and permitted assigns.

Section 30 Collateral Representations

None of the parties is bound by any representation or warranty or agreement not included in this Agreement, and in particular, no representation or warranty by any of the parties not expressed in this Agreement is to be implied.

Section 31 Counterpart Execution

This Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile transmission or other electronic communication (including by email in portable document format (pdf)).

Section 32 Further Assurances

Each party to this Agreement covenants and agrees that from time to time, it will, at the request of the requesting party, execute and deliver all such documents and do all such other acts and things as any party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

Section 33 Currency

Unless otherwise indicated, all references to money amounts are to Canadian dollars.

[The rest of this page is intentionally left blank.]

Section 34 Entire Agreement

It is understood that the terms and conditions of this Agreement supersede any previous verbal or written agreement between the Agent and the Corporation with respect to the issuance of securities by the Corporation including the Term Sheet.

If the foregoing is in accordance with your understanding and is agreed to by you, please confirm your acceptance by signing the enclosed copies of this letter at the place indicated and by returning the same to the Agent.

CANACCORD GENUITY CORP.

Per: (signed) "Anthony Petrucci"
Authorized Signatory

ACCEPTED AND AGREED to this 28th day of May, 2024.

TUKTU RESOURCES LTD.

Per: (signed) "Tim de Freitas"
Authorized Signatory

SCHEDULE A

To an Agreement executed May 28, 2024 and dated effective April 17, 2024 among Tuktu Resources Ltd. and Canaccord Genuity Corp.

[NOTE THAT THE BELOW OPINIONS ARE ONLY THE SUBSTANCE OF THE OPINIONS TO BE GIVEN BY THE CORPORATION'S COUNSEL AND ARE TO BE FINALIZED BY NEGOTIATION BETWEEN AGENT'S COUNSEL AND THE CORPORATION'S COUNSEL PRIOR TO THE CLOSING TIME]

1. The Corporation has been duly incorporated, amalgamated or formed, as the case may be, is valid and subsisting under the laws of the jurisdiction of its incorporation or formation, and has all requisite corporate power, capacity and authority to carry on its business as now conducted by it and to own its properties and assets and is duly registered to carry on business in all jurisdictions in which it carries on business or owns any material assets.
2. The Corporation has full corporate power and authority to enter into this Agreement, the Subscription Agreements, the Warrant Indenture and the Agent's Unit Option Certificates, and to perform its obligations set out herein and therein and this Agreement, the Subscription Agreements, the Warrant Indenture and the Agent's Unit Option Certificates have been duly authorized, executed and delivered by the Corporation and constitute legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their terms subject to normal qualifications including those relating to creditors' rights generally and except that rights to indemnity may be limited by applicable law.
3. The execution and delivery of this Agreement, the Subscription Agreements, the Warrant Indenture and the Agent's Unit Option Certificates, and the fulfilment of the terms hereof and thereof by the Corporation, and the performance of and compliance with the terms of this Agreement, the Subscription Agreements, the Warrant Indenture and the Agent's Unit Option Certificates by the Corporation does not and will not result in a breach of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under: (i) any applicable laws of the Province of Alberta or the federal laws of Canada applicable therein; (ii) any term or provision of the articles, by-laws or other constating documents as applicable or any resolutions of the directors (or any committee thereof) or shareholders of the Corporation, as applicable; (iii) of which counsel is aware, any mortgage, note, indenture, contract, agreement, instrument, lease or other document to which the Corporation is a party or by which the Corporation is bound on the Closing Date which default or breach might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation or its properties or assets; or (iv) of which counsel is aware, any judgment, decree, order, statute, rule or regulation applicable to the Corporation which default or breach might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation or its properties or assets.
4. The Corporation is authorized to issue an unlimited number of Common Shares of which, as at the date hereof and prior to the issuance of the Units and Agent's Commission Units, if any, 114,944,858 Common Shares are issued and outstanding, all of which Common Shares are validly issued as fully paid and non-assessable Common Shares of the Corporation.

5. The form of the definitive certificate (if applicable) representing the Common Shares and Warrants, and the Agent's Unit Option Certificates, have been duly approved and adopted by the board of directors of the Corporation and the form of definitive certificate of the Common Shares comply with the requirements of the ABCA.

6. The Corporation has full corporate power, capacity and authority to create, issue and sell the Units, the Agent's Commission Units and the Agent's Unit Options; and (i) the Unit Shares, the Warrants, the Agent's Unit Options, the Agent's Commission Unit Shares and the Agent's Commission Warrants have been duly and validly created, authorized, allotted, issued and delivered; (ii) the Unit Shares and the Agent's Commission Unit Shares have been issued as fully paid and non-assessable Common Shares in the capital of the Corporation; (iii) the Underlying Shares will be duly and validly authorized and reserved for issuance; and (iv) upon issuance in accordance with the due and proper exercise of the Securities, the Underlying Shares will be issued as fully paid and non-assessable Common Shares in the capital of the Corporation.

7. The offering, issuance, sale and delivery to Subscribers resident in the Selling Jurisdictions of the Unit Shares and Warrants in accordance with the Agency Agreement, and the issuance and delivery to the Agent in the Selling Jurisdictions of the Agent's Securities in accordance with the Agency Agreement, are exempt from the prospectus requirements of the Applicable Securities Laws and no other documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations of regulatory authorities in the Selling Jurisdictions obtained under the Applicable Securities Laws to permit such offering, issuance, sale and delivery of such Unit Shares, Warrants and such issuance and delivery of the Agent's Securities; we note however that the Corporation is required to file within ten days of the Closing Date a report of exempt distribution on Form 45-106F1, prepared and executed in accordance with National Instrument 45-106 - *Prospectus Exemptions* in the Selling Jurisdictions in which the distributions take place together with the requisite filing fees.

8. The issuance of the Warrant Shares, the Agent's Commission Warrant Shares and the Agent's Unit Warrant Shares upon the exercise of the Warrants, the Agent's Commission Warrants and the Agent's Unit Warrants respectively, pursuant to and in accordance with the terms and conditions of the Warrant Indenture will be exempt from the prospectus requirements of the Applicable Securities Laws and no other documents are required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations of regulatory authorities in the Selling Jurisdictions obtained under the Applicable Securities Laws to permit the issuance of the Warrant Shares, the Agent's Commission Warrant Shares and the Agent's Unit Warrant Shares pursuant to and in accordance with the terms of the Warrant Indenture.

9. The issuance of the Agent's Unit Shares and Agent's Unit Warrants upon exercise of the Agent's Unit Options in accordance with the terms of the certificates representing the Agent's Unit Options will be exempt from the prospectus requirements of Applicable Securities Laws and no other documents are required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations of regulatory authorities in the Selling Jurisdictions obtained under the Applicable Securities Laws to permit the issuance of the Agent's Unit Shares and Agent's Unit Warrants.

10. The first trade by a Subscriber of Unit Shares, Warrants and the Warrant Shares in the Selling Jurisdictions, other than a trade which is otherwise exempt under Applicable Securities Laws, will be a distribution and will be subject to the prospectus requirements of the Applicable Securities Laws unless:

- (a) at the time of such trade, the Corporation is and has been a “reporting issuer” (within the meaning of the Applicable Securities Laws of such jurisdiction) in a “jurisdiction” (as such term is defined in National Instrument 14-101 - *Definitions*) in Canada, for the four months immediately preceding such trade;
- (b) at the time of such trade, at least four months have elapsed from the date of distribution of the Units;
- (c) the certificates representing Unit Shares and Warrants and to the extent that the Warrant Shares are not issued at least four months and one day after the distribution date of the Units, the certificates representing the Warrant Shares were issued carrying the legend required by subsection 2.5(2)3(i) of National Instrument 45-102 - *Resale of Securities* (“**NI 45-102**”), or, if the circumstances in subsection 2.5(2)3(i) of NI 45-102 apply, the purchaser received written notice containing the legend restriction notation set out in subsection 2.5(2)3(i) of NI 45-102;
- (d) such trade is not a “control distribution” as defined in NI 45-102;
- (e) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade;
- (f) no extraordinary commission or consideration is paid to a person or company in respect of such trade; and
- (g) if the seller is an “insider” or “officer” of the Corporation (as such terms are defined under Applicable Securities Laws), the seller has no reasonable grounds to believe that the Corporation is in default of “securities legislation”, as such term is defined in National Instrument 14-101 - *Definitions*.

11. The first trade by the Agent of the Agent’s Securities in the Selling Jurisdictions, other than a trade which is otherwise exempt under Applicable Securities Laws, will be a distribution and will be subject to the prospectus requirements of the Applicable Securities Laws unless:

- (a) at the time of such trade, the Corporation is and has been a “reporting issuer” (within the meaning of the Applicable Securities Laws of such jurisdiction) in a “jurisdiction” (as such term is defined in National Instrument 14-101 *Definitions*) in Canada, for the four months immediately preceding such trade;
- (b) at the time of such trade, at least four months have elapsed from the date of distribution of the Agent’s Unit Options and Agent’s Commission Units;
- (c) the certificates representing the Agent’s Unit Options, Agent’s Commission Unit Shares and Agent’s Commission Warrants and to the extent that the Agent’s Unit Shares, Agent’s Unit Warrant Shares and Agent’s Commission Warrant Shares are not issued at least four months and one day after the distribution date of the Agent’s Unit Option and Agent’s Commission Unit, as applicable, the certificates representing Agent’s Unit Shares, Agent’s Unit Warrant Shares, Agent’s Commission Unit Shares, Agent’s Commission Warrant Shares were issued carrying the legend required by subsection 2.5(2)3(i) of NI 45-102, or, if the circumstances in subsection 2.5(2)3(i) of NI 45-102 apply, the purchaser received written notice containing the legend restriction notation set out in subsection 2.5(2)3(i) of NI 45-102;

- (d) such trade is not a “control distribution” as defined in NI 45-102;
- (e) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade;
- (f) no extraordinary commission or consideration is paid to a person or company in respect of such trade; and
- (g) if the seller is an “insider” or “officer” of the Corporation (as such terms are defined under Applicable Securities Laws), the seller has no reasonable grounds to believe that the Corporation is in default of “securities legislation”, as such term is defined in National Instrument 14-101 *Definitions*.

12. In accordance with the TSXV Policies, the TSXV has conditionally approved the Offering, and has conditionally listed or approved for listing on the TSXV the Underlying Shares, subject to compliance by the Corporation with the conditions of the TSXV.

13. The Corporation is a reporting issuer in the provinces of British Columbia and Alberta and is not in default under the applicable securities laws of those provinces.

14. Computershare Trust Company of Canada has been duly appointed by the Corporation as the transfer agent and registrar for the Common Shares (including the Underlying Shares) at its offices in Calgary, Alberta.

15. Based on the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and the understanding of the Corporation’s Counsel of the current administrative policies and assessing practices of the Canada Revenue Agency made publicly available prior to the date hereof, the Common Shares, Warrants and Warrant Shares, if issued on the date hereof, would be “qualified investments” under the Tax Act for trusts governed by registered retirement savings plans (“RRSPs”), registered retirement income funds (“RRIFs”), deferred profit sharing plans (“DPSPs”), registered education savings plans (“RESPs”), registered disability savings plans (“RDSPs”) and tax-free savings accounts (“TFSAs”), all as defined in the Tax Act (collectively “**Deferred Income Plans**”), provided that:

(a) in the case of the Common Shares and the Warrant Shares, either:

- (i) the Common Shares and the Warrant Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSXV), or
- (ii) the Corporation is a “public corporation” as defined in the Tax Act; and

(b) in the case of the Warrants, either:

- (i) the Warrants are listed on a “designated stock exchange” as defined in the Tax Act, or
- (ii) either the Warrant Shares are listed on a “designated stock exchange” as defined in the Tax Act or the Corporation is a “public corporation” as defined in the Tax Act, and neither the Corporation nor any person with whom the Corporation does not

deal at arm's length is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the Deferred Income Plan;

- (c) and further provided that, in the case of an RRSP, RRIF, TFSA, RDSP, or RESP, the Common Share, Warrant or Warrant Share is not a "prohibited investment" for the purposes of an RRSP, RRIF, TFSA, RDSP, or RESP which holds such Common Share, Warrant or Warrant Share. A Common Share, Warrant or Warrant Share will be a prohibited investment for a TFSA, RRSP, or RRIF if the holder of the TFSA or the annuitant under the RRSP or the RRIF, as the case may be, does not deal at arm's length with the Corporation for the purposes of the Tax Act or has a "significant interest" (as defined in the Tax Act for purposes of the prohibited investment rules) in the Corporation. However, a Common Share or Warrant Share will not be a "prohibited investment" if such securities are "excluded property" (as defined in the Tax Act for purposes of the prohibited investment rules) for trusts governed by such RRSP, RRIF, TFSA, RDSP, or RESP.

16. Computershare Trust Company of Canada has been duly appointed by the Corporation as the Warrant Agent under the Warrant Indenture.

17. As to all other legal matters, including compliance with Applicable Securities Laws, in any way connected with the issuance, sale and delivery of the Units as the Agent may reasonably request.