

## WAIVER AGREEMENT

**THIS WAIVER AGREEMENT** (this “**Agreement**”) is made as of the 3<sup>rd</sup> day of August, 2015

### **BETWEEN:**

**MONTANA EXPLORATION CORP.**, a corporation existing under the laws of the Province of Alberta (“**Montana**”)

- and -

**GALE FORCE PETROLEUM INC.**, a corporation existing under the federal laws of Canada (“**Gale Force**”)

### **BACKGROUND:**

- (i) Montana and Gale Force entered into an arrangement agreement dated as of June 24, 2015 (the “**Arrangement Agreement**”) pursuant to which Montana agreed to acquire all of the issued and outstanding securities of Gale Force by way of an arrangement (the “**Arrangement**”) under Section 192 of the *Canada Business Corporations Act*, on the terms and subject to the conditions set forth in the Arrangement Agreement and the Plan of Arrangement attached thereto;
- (ii) The Arrangement Agreement provides that Gale Force must prepare, file and thereafter diligently pursue no later than twenty (20) days after the date of the Arrangement Agreement, an application before the Court for the Interim Order;
- (iii) It is a condition precedent to the obligations of Montana and Gale Force to complete the Arrangement that the Montana Resolutions shall have been approved and adopted by the Montana Shareholders at the Montana Meeting; and
- (iv) The Parties wish to waive compliance with the matters referred to in the immediately preceding clauses (ii) and (iii) and to provide for additional covenants to be undertaken by Montana;

**NOW THEREFORE**, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties (as hereinafter defined) hereby covenant and agree as follows.

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

Capitalized terms not defined herein (including the recitals hereto) have the meaning ascribed thereto in the Arrangement Agreement.

### **1.2 Interpretation Not Affected by Headings, etc.**

The division of this Agreement into articles, sections and subsections is for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any

particular article, section, schedule or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

### **1.3 Number, etc.**

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders.

### **1.4 Date for Any Action**

If any date on which any action is required to be taken hereunder or any notice is deemed to be received hereunder by either of the Parties is not a Business Day, such action shall be taken or such notice shall be deemed to be received on the next succeeding day that is a Business Day.

### **1.5 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

### **1.6 No Strict Construction**

The Parties acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party will not be applicable in the interpretation of this Agreement.

## **ARTICLE 2 WAIVERS AND COVENANTS**

### **2.1 Waiver in Respect of Period within which Gale Force to Apply for Interim Order**

Montana hereby waives any default by Gale Force under the Arrangement Agreement resulting from the failure of Gale Force to prepare, file and thereafter diligently pursue (subject to the Court's availability) an application before the Court for the Interim Order no later than twenty (20) days after the date of the Arrangement Agreement, the whole as contemplated by Section 2.2 of the Arrangement Agreement.

### **2.2 Waiver of Mutual Conditions Precedent**

The Parties hereby waive the condition precedent to the obligations of the Parties to consummate the transactions contemplated by the Arrangement Agreement set forth in Section 5.1(b) thereof that the Montana Resolutions shall have been approved and adopted by the Montana Shareholders at the Montana Meeting in accordance with applicable Law, and implemented by Montana.

### **2.3 Covenants of Montana**

Montana hereby covenants in favour of Gale Force that:

- (a) on or before the Effective Time, Montana shall cause Mr. Allan Bezanson to be appointed to the Montana Board; and

- (b) Montana shall cause Mr. Allan Bezanson to be nominated for election as a director of Montana at the first annual meeting of Montana Shareholders to be held following the Effective Date.

## **2.4 No Other Waivers or Amendments**

Other than the provisions in the Arrangement Agreement affected by this Agreement, all provisions of the Arrangement Agreement other than those referred to in this Article 2 shall remain in full force and effect, without amendment.

# **ARTICLE 3 GENERAL**

## **3.1 Entire Agreement, Assignment and Enurement**

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

## **3.2 Severability**

If any one or more of the provisions (or any part thereof) of this Agreement is determined to be invalid, illegal or unenforceable in any respect in any jurisdiction, such provision or provisions (or part or parts thereof) shall be, and shall be conclusively deemed to be, as to such jurisdiction, severable from the balance of this Agreement and:

- (a) the validity, legality or enforceability of the remaining provisions of this Agreement will not in any way be affected or impaired by the severance of the provisions (or parts thereof) so severed; and
- (b) the invalidity, illegality or unenforceability of any provision (or part thereof) of this Agreement in any jurisdiction shall not affect or impair such provision (or part thereof) or any other provisions of this Agreement in any other jurisdiction.

## **3.3 Further Assurances**

Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Party, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as the other Party may reasonably request in order to fully perform and carry out the terms and intent of this Agreement.

## **3.4 Time of Essence**

Time shall be of the essence of this Agreement.

## **3.5 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the Parties irrevocably attorn to the jurisdiction of the courts of the Province of Ontario in respect of all disputes arising under or in relation to this Agreement.

**3.6 Waiver**

No waiver by a Party shall be effective unless it is set out in a written instrument signed by such Party and any waiver shall affect only the matter, and the occurrence thereof, specifically identified in the applicable written instrument and shall not extend to any other matter or occurrence.

**3.7 Counterparts**

This Agreement may be executed in counterparts and by facsimile or portable document format (PDF), each of which shall be deemed an original, and all of which together constitute one and the same instrument.

**[The remainder of this page has intentionally been left blank.]**

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

**MONTANA EXPLORATION CORP.**

By: (s) Charles V. Selby  
Charles V. Selby  
Chairman and Chief Executive Officer

By: (s) Donald L. Jackson  
Donald L. Jackson  
Executive Vice-President & Chief Operating  
Officer

**GALE FORCE PETROLEUM INC.**

By: (s) Michael McLellan  
Michael McLellan  
Chief Executive Officer