



June 26, 2019

Cuda Energy Inc.
 Suite 2110, 440 -2nd Avenue SW
 Calgary, Alberta T2P 5E9

Attention: Glenn Dawson

Dear:

Re: Bridging Finance Inc. (in its capacity as agent, the “Agent”), as agent for and on behalf of any of the funds managed or co-managed by Bridging Finance Inc. (collectively, the “Lender”), credit facilities in favour of the Borrower (as defined below)

The Agent, for and on behalf of the Lender, is pleased to offer the credit facilities described in this amended and restated letter loan agreement (as amended, modified, supplemented, restated or replaced, from time to time, the “**Agreement**”) subject to the terms and conditions set forth herein. This Agreement amends and restates in its entirety our letter loan agreement dated June 8, 2018, as supplemented by the supplement to the loan agreement dated June 25, 2018, as amended by the joinder and amending agreement re: loan agreement dated August 14, 2018, and as further amended by a second amending agreement dated November 9, 2018 (collectively, the “**Original Loan Agreement**”). Any borrowings outstanding under the Original Loan Agreement are deemed to be borrowings under this Agreement under the related facility referenced herein and all security provided for such borrowings is confirmed as provided herein.

Unless otherwise indicated, all amounts are expressed in Canadian currency. All capitalized terms not otherwise defined in the body of this Agreement shall have the meanings ascribed thereto in Schedule “A”.

Borrower:	Cuda Energy Inc. (the “ Borrower ”), a corporation incorporated pursuant to the laws of the Province of Alberta.
Guarantors:	Cuda Oil and Gas Inc. (“ Cuda Oil ”), Cuda Energy LLC and Junex Inc., and all Material Subsidiaries of the Borrower from time to time (collectively, the “ Guarantors ”). The Borrower and the Guarantors are, collectively, the “ Obligors ” and each an “ Obligor ”.
Lender:	Bridging Finance Inc., as agent for and on behalf of any of the funds managed or co-managed by Bridging Finance Inc. (collectively, the “ Lender ”).
Agent:	Bridging Finance Inc. (the “ Agent ”).
Facilities:	<u>Facility 1</u> : Non-revolving demand loan in an amount of up to \$35,000,000.00 (“ Facility 1 ”).

	<p><u>Facility 2</u>: Non-revolving demand loan in an amount of up to \$8,000,000.00 (“Facility 2”, and together with Facility 1, the “Facilities”).</p>
Purpose:	<p><u>Facility 1</u>: The purpose of Facility 1 was to complete the Cuda/Junex Intercompany Loan and to provide financing for the Wyoming Acquisition.</p> <p><u>Facility 2</u>: The purpose of Facility 2 is to provide financing for the capital program in Barron Flats Federal Unit, located in Wyoming, USA.</p>
Term:	<p><u>Facility 1</u>: The earlier of (i) demand by the Agent or the Lender, and (ii) the term of twelve (12) months from the date of the Closing Date (the “Facility 1 Term”).</p> <p><u>Facility 2</u>: The earlier of (i) demand by the Agent or the Lender, and (ii) the term expiring on December 31, 2019 (the “Facility 2 Term”).</p>
Facility Availability:	<p><u>Facility 1</u>: Subject to the terms and conditions of this Agreement, the amount available under Facility 1 may be drawn only in a single advance. Facility 1 was previously advanced and all advances repaid under Facility 1 cannot be reborrowed.</p> <p><u>Facility 2</u>: Subject to the terms and conditions of this Agreement, the amount available under Facility 2 may be drawn in two advances as follows:</p> <p>(a) the amount of \$3,500,000 may be drawn in a single advance on the Closing Date, subject to satisfaction of the Drawdown Conditions Precedent; and</p> <p>(b) an amount of up to 100% of the net closing amount of the Quebec Transaction, not to exceed \$4,500,000 (the “Quebec Transaction Advance”), on execution and delivery to the Agent of a definitive agreement to complete the Quebec Transaction on terms and conditions satisfactory to the Agent in its sole discretion (the “Quebec Transaction Agreement”).</p> <p>Facility 2 is a non-revolving credit facility and the aggregate of all advances under Facility 2 will be limited to the maximum principal amount of Facility 2. Advances repaid under Facility 2 cannot be reborrowed.</p>
Notice Requirement:	<p><u>Facility 1</u>: No further advances are available under Facility 1.</p> <p><u>Facility 2</u>: Written notice shall be required for any advances under Facility 2. Subject to the terms and conditions of this Agreement, the Borrower shall provide a Drawdown Notice to the Agent by no later than two Business Days prior to the requested Drawdown Date.</p>
Interest Rate:	<p><u>Facility 1</u>: Interest on Facility 1 shall accrue at an annual rate equal to 10.5% calculated on the daily outstanding balance of Facility 1 and</p>

	<p>compounded monthly, not in advance and with no deemed reinvestment of monthly payments. On the occurrence of an Event of Default, interest shall be calculated at an annual rate of twenty-one percent (21%) per annum calculated and compounded as aforesaid.</p> <p><u>Facility 2:</u> Interest on Facility 2 shall accrue at an annual rate equal to 10.75% calculated on the daily outstanding balance of Facility 2 and compounded monthly, not in advance and with no deemed reinvestment of monthly payments. On the occurrence of an Event of Default, interest shall be calculated at an annual rate of twenty-one percent (21%) per annum calculated and compounded as aforesaid.</p> <p><u>General:</u> All interest payable under this Agreement bears interest after as well as before maturity, default and judgment with interest on overdue interest at the applicable rate payable hereunder. To the extent permitted by law, Borrower waives the provisions of the <i>Judgment Interest Act</i> (Alberta).</p>
Fees:	[redacted]
Payments:	<p><u>Facility 1:</u> Without limiting the right of the Agent or the Lender to at any time demand repayment and subject to and in addition to the requirement for repayment in full pursuant to this Agreement at the end of the Facility 1 Term, interest only at the aforesaid Facility 1 rate, calculated daily and compounded and payable monthly, not in advance on the outstanding amount of Facility 1, shall be due and payable on the last Business Day of each and every month during the Facility 1 Term.</p> <p><u>Facility 2:</u> Without limiting the right of the Agent or the Lender to at any time demand repayment and subject to and in addition to the requirement for repayment in full pursuant to this Agreement at the end of the Facility 2 Term, interest only at the aforesaid Facility 2 rate, calculated daily and compounded and payable monthly, not in advance on the outstanding amount of Facility 2, shall be due and payable on the last Business Day of each and every month during the Facility 2 Term.</p>
Other Mandatory Repayments:	<p>In addition to any regularly scheduled payments of the Obligations under the Facilities, the Borrower shall also repay Obligations under the Facilities as follows:</p> <ul style="list-style-type: none">(a) all net proceeds of any issuances or sales of equity or debt securities by any Obligor, in a transaction or in a series of transactions:<ul style="list-style-type: none">i. for all amounts up to \$5,000,000, shall be used to repay Obligations under the Facilities, except where such proceeds are reinvested by the Borrower to acquire assets for use in the ordinary course of the Borrowers' business within 180 days of completion of such sale or other insurance of equity or debt securities;ii. for all amounts exceeding \$5,000,000 and up to \$6,000,000, shall be used to repay Obligations under

	<p>Facility 2, except 80% of which can be reinvested by the Borrower to acquire assets for use in the ordinary course of the Borrowers' business within 180 days of completion of such sale or other insurance of equity or debt securities;</p> <ul style="list-style-type: none">i. for all amounts exceeding \$6,000,000 and up to \$7,000,000, shall be used to repay Obligations under Facility 2, except 60% of which can be reinvested by the Borrower to acquire assets for use in the ordinary course of the Borrowers' business within 180 days of completion of such sale or other insurance of equity or debt securities;ii. for all amounts exceeding \$7,000,000 and up to \$8,000,000, shall be used to repay Obligations under Facility 2, except 40% of which can be reinvested by the Borrower to acquire assets for use in the ordinary course of the Borrowers' business within 180 days of completion of such sale or other insurance of equity or debt securities; andiii. for all amounts exceeding \$8,000,000, shall be used to repay Obligations under Facility 2; <p>(a) other than the Permitted Dispositions, all net proceeds from any sale or other disposition of any Collateral of any Obligor (other than inventory sold in the ordinary course of business) in excess of \$250,0000.00 in the aggregate in any consecutive 12 month period (except where such proceeds are reinvested (or contracts and/or obligations are in place to complete reinvestment) in similar assets, subject to the approval of the Agent and the Lender, within 180 days after the date of making any such sale or disposition), shall be used to repay Obligations under the Facilities;</p> <p>(b) all net proceeds from insurance claims (excluding claims from business interruption insurance) greater than \$250,000.00 per annum, except where such proceeds are reinvested by the applicable Obligor in replacement or similar assets within 180 days after the receipt of such proceeds, shall be used to repay Obligations under the Facilities; and</p> <p>(c) all net cash proceeds received by any Obligor in connection with the Quebec Transaction is to be applied to the Obligations under Facility 2.</p> <p>Unless otherwise indicated, the Agent shall have the right to apply any of these mandatory repayments in such manner as the Agent sees fit, including against any of the Obligations under either Facility 1 or Facility 2.</p>
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<p>Principal:</p>	<p><u>Facility 1:</u> Subject to demand by the Agent or the Lender or the occurrence and continuance of a Default or an Event of Default, the Borrower acknowledges that the principal amount of Facility 1 is payable in full upon maturity at the end of the Facility 1 Term.</p> <p><u>Facility 2:</u> Subject to demand by the Agent or the Lender or the occurrence and continuance of a Default or an Event of Default, the Borrower acknowledges that the principal amount of Facility 2 is payable in full upon maturity at the end of the Facility 2 Term.</p>
<p>Prepayment:</p>	<p>The Facilities may be prepaid in full or partially at any time without any fee or penalty provided that the Borrower shall deliver an irrevocable prepayment notice to the Agent (the “Prepayment Notice”) ninety (90) days prior to the proposed prepayment date (the “Prepayment Date”) setting forth the amount being prepaid (the “Prepayment Amount”) and for which of the Facilities, and provided that the Borrower pays the full Prepayment Amount on the Prepayment Date.</p> <p>Should the Borrower wish to prepay either of the Facilities in full or partially without having to provide the Agent with the required ninety (90) days prior notice, the Borrower shall pay to the Agent an amount calculated in accordance with the formula set out below and which shall be due and payable as of the date the prepayment is made:</p> $I/365 \times (90 - N) \times M$ <p>Where:</p> <p>I = the annual interest rate on the applicable Facility on the date the Prepayment Notice was given or, if no Prepayment Notice was given, on the date the prepayment is made;</p> <p>N = where a Prepayment Notice was given, the number of days between the date the Prepayment Notice is given and the date of prepayment, provided that if no Prepayment Notice was given, N shall equal 0; and</p> <p>M = the Prepayment Amount, including any proportionate interest and other fees owing, on the date the Prepayment Notice was given or, if no Prepayment Notice was given, on the date the prepayment is made.</p>
	<p>In the event that the Prepayment Amount is not paid in full on the Prepayment Date, then the Agent shall have the option, in its discretion, to declare and consider the Prepayment Notice to be null and void such that any prepayment shall thereafter only be permitted by the delivery of a new Prepayment Notice in compliance with this section.</p>
	<p>If neither of the Facilities are specified for which the Prepayment Amount is to be applied, the Agent may apply such Prepayment Amount in such manner as the Agent sees fit against either of Facility 1 or Facility 2.</p>

Deposit:	[INTENTIONALLY DELETED]
Application of Payments:	Notwithstanding anything else contained herein, all payments received by the Agent or the Lender shall first be credited as payment of interest and fees owing by the Borrower in respect of the Facilities and then as repayment of the principal amount owing by the Borrower to the Agent or Lender hereunder.
Conditions Precedent to Effectiveness and Availability:	This Agreement shall not become effective, and the Facilities shall not become available, until the following conditions precedent have been satisfied or waived by the Agent (collectively, the “ General Conditions Precedent ”):
	(a) approval of the transaction by the Agent’s credit committee (<i>obtained</i>);
	(b) satisfactory completion of the Agent’s due diligence and continual due diligence, including the Agent’s review of the corporate structure of the Obligor and operations of the Obligor, and their business and financial plans;
	(c) receipt of a duly executed copy of this Agreement, the Security and other Credit Documents, in form and substance satisfactory to the Agent and its legal counsel, registered as required to perfect and maintain the security created thereby, except for the recording of the Mortgage Amendment (as defined below) in the property records of each county in the State of Wyoming in which the Wyoming Assets are located, the recording and evidence of which is to be received as soon as practicable after the date hereof, and such certificates, authorizations, resolutions of the board of directors of the Obligor and legal opinions as the Agent may reasonably require including an opinion from counsel to the Obligor with respect to status and the due authorization, execution, delivery, validity and enforceability against the Obligor of this Agreement, the Security and other Credit Documents together with title opinions in respect of all real property Collateral;
	(d) the discharge or subordination of any and all existing security against the Collateral, other than the Permitted Encumbrances, as may be required by the Agent;
	(e) concurrent with the Closing Date advance, payment of all fees owing to the Agent or the Lender hereunder;
	(f) in respect of all real property subject to the Security situated in Alberta, delivery of proof that all water accounts and property taxes are paid up to date or a direction to pay any outstanding property taxes;

	(g) delivery of such financial, environmental and other information, certificates or documents relating to the Borrower and other Obligor as the Agent may require;
	(h) delivery of reserve reports for the Alberta Assets and the Wyoming Assets to the Agent;
	(i) delivery of the drilling title opinions for the Wyoming Assets to the Agent;
	(j) the Agent being satisfied that there has been no material deterioration in the financial condition of the Obligor, taken as a whole;
	(k) no event shall have occurred and be continuing and no circumstance shall exist which has not been waived, which constitutes a default in respect of any material commitment, agreement or any other instrument to which any Obligor is a party or is otherwise bound, entitling any other party thereto to accelerate the maturity of amounts of principal owing thereunder or terminate any such material commitment, agreement or instrument which would have a Material Adverse Effect upon the financial condition, property, assets, operation or business of any Obligor, taken as a whole;
	(l) no event that constitutes, or with notice or loss of time or both, would constitute an Event of Default shall have occurred;
	(m) evidence of the receipt by each Obligor of all necessary Governmental Authorizations required from any Governmental Authority or any other Person for the entry into, execution and delivery of this Agreement, the Security and other Credit Documents and the performance of its obligations under the this Agreement, the Security and other Credit Documents, other than as may be obtained after the date hereof pursuant to Covenants (ll);
	(n) receipt of satisfactory certificate of insurance issued by Obligor's insurance broker in respect of all policies required to be maintained by Obligor (or to be maintained upon the acquisition of the applicable assets) which are to name Agent for and on behalf of the Lender, as first loss payee under all property damage policies and additional insured, as its interest may appear, in respect of all liability policies and which, in Agent's opinion, adequately address any potential Environmental Claims;
	(o) receipt of an officer's certificate from each Obligor as to title of PNG Assets satisfactory to the Agent including a schedule of major producing petroleum and natural gas reserves described by lease (type, date, term, parties), legal description (wells and spacing units), interest (W.I. or other APO/BPO interests),

	overrides (APO/BPO), gross overrides, and other liens, encumbrances, and overrides;
	(p) the Agent being satisfied with the information concerning the Obligor's LLR in all applicable jurisdictions and any associated deposits required with the applicable Energy Regulator;
	(q) receipt of an environmental certificate from the Borrower, in the form attached hereto as Schedule "C", by the Agent;
	(r) receipt of certificates, substantially in the form of Schedule "T", representing 1,500,000 Lender Warrants, in each case registered in such name or names as the Agent shall notify Cuda Oil in writing not less than 48 hours prior to the Closing Date;
	(s) the Agent being satisfied that all representations and warranties in this Agreement and in the Security shall be true, complete and correct on and with effect from the Closing Date and the Agent shall have received a certificate of the Borrower to that effect;
	(t) a legal opinion addressed to the Agent and its counsel dated and delivered on the Closing Date from Borden Ladner Gervais LLP, in form and substance satisfactory to the Agent and its counsel, acting reasonably, with respect to those matters set out in Schedule "H", subject to such reasonable assumptions and qualifications customary with respect to transactions of this nature as may be accepted by Agent's counsel; and
	(u) receipt of such other documents as the Agent and Lender may reasonably require.
Conditions Precedent to all Advances:	The obligation of the Lender to make any advance to the Borrower (including, without limitation the initial advance under Facility 2) is subject to and conditional upon the following conditions precedent (collectively, the " Drawdown Conditions Precedent "):
	(a) the General Conditions Precedent shall have been satisfied or shall continue to be waived by the Agent, in its sole direction;
	(b) for each advance under Facility 2, the Borrower shall have delivered to the Agent a Drawdown Notice in accordance with the provisions of this Agreement;
	(c) the aggregate amount of a proposed advance under Facility 2, when added to all other advances made under Facility 2, shall not exceed the limit for Facility 2;
	(d) all representations and warranties made in this Agreement and in any Security shall be true and correct in all material respects as if made on the date of the advance;
	(e) no event that constitutes, or with notice or loss of time or both, would constitute an Event of Default shall have occurred and is

	continuing on the date of the advance, or would result from the making of the advance; and
	(f) receipt of such other documents as the Agent or the Lender may reasonably require.
Conditions Precedent to the Quebec Transaction Advance under Facility 2:	The obligation of the Lender to make the Quebec Transaction Advance under Facility 2 is subject to the satisfaction of the following conditions precedent:
	(a) the General Conditions Precedent shall have been satisfied or shall continue to be waived by the Agent, in its sole direction;
	(b) the Drawdown Conditions Precedent shall have been satisfied or shall continue to be waived by the Agent, in its sole direction; and
	(c) receipt of fully executed copy of the definitive agreement relating to the Quebec Transaction by the Agent on such terms and conditions that are satisfactory to the Agent in its sole discretion.
Covenants:	Each Obligor hereby covenants and agrees with the Agent and the Lender, while this Agreement is in effect, to:
	(a) pay all sums of money when due hereunder or arising therefrom;
	(b) provide the Agent with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default, a breach of any covenant or other term or condition of this Agreement or of any other Credit Document;
	(c) use the proceeds of the Facilities solely for the purposes provided for herein;
	(d) continue to carry on business in the nature of or related to the business transacted by each Obligor prior to the date hereof in the name and for the account of each Obligor;
	(e) keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;
	(f) fully and effectually maintain and keep maintained all security interests granted to the Agent under the Security as a valid and effective first priority lien and charge at all times, free of all Encumbrances other than Permitted Encumbrances;
	(g) cause all material properties used or useful in the conduct of the business of each Obligor to be maintained and kept in good condition, repair and working order (ordinary wear and tear excepted) and supplied with all necessary equipment and cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in its reasonable

	<p>judgment may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times;</p>
	<p>(h) permit the Agent or its representatives, at any time and from time to time, with such frequency as the Agent, in its sole discretion, may require, to visit and inspect each Obligor's premises, properties and assets and to examine and obtain copies of each Obligor's records or other information and discuss each Obligor's affairs with the auditors, counsel and other professional advisors of the Borrower all at the reasonable expense of the Borrower;</p>
	<p>(i) keep the Agent informed on any changes to the strategy of the Borrower;</p>
	<p>(j) promptly inform the Agent in writing of the full particulars of the receipt by Cuda Oil of any material communication, whether written or oral, from any securities commission, the TSXV or any other competent authority, relating to the Lender Warrants, the Lender Shares or Cuda Oil;</p>
	<p>(k) use its commercially reasonable efforts to remain, and to cause each of the Guarantors to remain a corporation validly subsisting under the laws of its jurisdiction of incorporation or amalgamation, and to be duly licensed, registered or qualified as an extra-provincial or foreign corporation or entity in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and to carry on its business in the ordinary course and in compliance in all material respects with all Applicable Laws, of each such jurisdiction, provided that Cuda Oil shall not be required to comply with this Section (k) following the completion of a merger, amalgamation, arrangement, business combination or take-over bid pursuant to which Cuda Oil ceases to be a "reporting issuer" (within the meaning of Applicable Securities Laws);</p>
	<p>(l) use its commercially reasonable efforts to maintain Cuda Oil's status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Applicable Securities Laws and ensure compliance with all of Cuda Oil's obligations under Applicable Securities Laws, provided that the Obligors shall not be required to comply with this Section (l) following the completion of a merger, amalgamation, arrangement, business combination or take-over bid pursuant to which Cuda Oil ceases to be a "reporting issuer" (within the meaning of Applicable Securities Laws);</p>
	<p>(m) use its commercially reasonable efforts (including, without limitation, making application to any securities commission for all consents, orders and approvals necessary) to maintain the listing of Cuda Oil's common shares on the TSXV or such other</p>

	recognized stock exchange or quotation system as the Agent may approve, acting reasonably, provided that the Obligor shall not be required to comply with this Section (m) following the completion of a merger, amalgamation, arrangement, business combination or take-over bid pursuant to which Cuda Oil ceases to be a “reporting issuer” (within the meaning of Applicable Securities Laws);
	(n) use its commercially reasonable efforts to ensure that the Lender Shares are, when issued, listed and posted for trading on the TSXV upon their date of issuance subject to resale restrictions imposed under Applicable Securities Laws;
	(o) forthwith notify the Agent of the particulars of any Environmental Claim, action, suit or proceeding, pending, arbitration or mediation requests which, if determined adversely, would result in a judgement or award against an Obligor that could reasonably be expected to have a Material Adverse Effect;
	(p) in a form and manner prescribed by the Agent (which may include by fax and/or e-mail), deliver to the Agent any financial information, certified by a senior officer of the Borrower, with respect to each Obligor as and when reasonably requested by the Agent, acting reasonably;
	(q) file all tax returns which each Obligor must file from time to time, to pay or make provision for payment of all taxes (including interest and penalties) and other potential preferred claims which are or will become due and payable and to provide adequate reserves for the payment of any tax, the payment of which is being contested;
	(r) maintain its corporate existence in good standing;
	(s) provide 30 days prior written notice to the Agent of any change in any Obligor’s places of business or name;
	(t) keep its assets fully insured against such perils and in such manner as would be customarily insured by companies carrying on a similar business or owning similar assets, and which, in the Agent’s opinion, adequately address any potential Environmental Claims;
	(u) comply at all times with all Applicable Laws (including Applicable Securities Laws) and to advise the Agent promptly of any action, requests or violation notices received from any Governmental Authority concerning each Obligor’s operations which could have a Material Adverse Effect; and to indemnify and hold the Agent and the Lender harmless from all liability of loss as a result of any non-compliance by any Obligor with any such Applicable Laws;

	(v) promptly provide the Agent with notice if any Governmental Authorization of any Obligor required by such Obligor to conduct its business, as then conducted, is terminated, materially restricted or is threatened to be terminated or materially restricted;
	(w) within 10 days of a Subsidiary qualifying as a Material Subsidiary hereunder, cause each such Material Subsidiary to become a Obligor hereunder and deliver its Security (which may, at the Agent's discretion, include, without limitation, all Security as required under the heading "Security and other Requirements:" hereunder) to the Agent, for and on behalf of the Lender, together with registrations and opinions from counsel which may be required by the Agent and the Lender;
	(x) at least 95% of its consolidated assets are held by those Obligors which have provided Security in favour of the Agent and the Lender;
	(y) promptly advise Agent in writing, giving reasonable details, of:
	<ul style="list-style-type: none"> i. the discovery of any Release into the Environment from or upon any property of an Obligor which would reasonably be expected to have a material impact on its business; ii. any event which constitutes, or which with notice, lapse of time or both, would constitute a breach of any provision hereof or an Event of Default; iii. each event which has or is reasonably expected to have a material impact on the business of an Obligor; iv. any Material Adverse Change regarding any Obligor, or of any material loss, destruction or damage to its properties and assets; and v. any notice received from any Governmental Authority stating that any Obligor is non-compliant with any Government Authorization or if any Governmental Authority related to its properties or assets are suspended or revoked;
	(z) ensure that all engineering data, production and cash flow projections and other information and data provided to the Agent and the Lender by or on behalf of the Obligors (including without limitation, any engineering reports and land schedules) are true and accurate in all material respects as at the time provided and fairly reflect the interests of the Obligors therein net of all royalties and other burdens affecting the same;
	(aa) seek advanced rulings with any Governmental Authority, including any Energy Regulator, as applicable, before effecting

	<p>any corporate change to ensure that such changes will not have any Material Adverse Effect and each Obligor will give prior written notice to Agent and the Lender of any such proposed corporate change, along with such advance ruling applications to the applicable Governmental Authority;</p>
	<p>(bb) maintain in effect policies and procedures designed to promote compliance by such Obligor, its Subsidiaries, and their respective directors, officers, employees and agents with all applicable Environmental Laws, Sanctions, AML Laws and Anti-Corruption Laws;</p>
	<p>(cc) subsequent to granting of the Security, undertakes that, upon request from the Agent, acting reasonably, such Obligor will grant any additional fixed mortgage and charge to the Agent, for and on behalf of the Lender, on any or all real property of that Obligor so designated by the Agent and the Lender. The Borrower shall promptly provide to the Agent all information reasonably requested by the Agent to assist it in that regard. The Borrower acknowledges that this undertaking constitutes present and continuing security in favour of the Agent, for and on behalf of the Lender, and that the Agent, for and on behalf of the Lender, may file such caveats, security notices or other filings in regard thereto at any time and from time to time as the Agent and the Lender may determine;</p>
	<p>(dd) if the Agent, acting reasonably, determines after the occurrence of any Material Adverse Change that any Obligors' obligations or other liabilities in respect of matters dealing with the protection or contamination of the Environment or the maintenance of health and safety standards would individually or in the aggregate reasonably be expected to have a Material Adverse Effect then, at the request of Agent, the Obligors will assist the Agent in conducting an environmental audit of the property which is the subject matter of such obligations or liabilities, by an independent consultant selected by the Agent. The cost of such audit will be for the account of the Obligors, provided that the Agent will carry out such audit in consultation with the Borrower to expedite its completion in a cost effective manner. If such audit indicates that any Obligor is in breach, or with the passage of time is likely to be in breach, of any Environmental Laws and such breach or potential breach individually or in the aggregate would have, in the opinion of Agent, acting reasonably, a Material Adverse Effect, and without in any way prejudicing or suspending any of the rights and remedies of the Agent and the Lender under the Credit Documents, the applicable Obligor will forthwith commence and diligently proceed to rectify or cause to be rectified such breach or potential breach, as the case may be, and will keep the Agent and the Lender fully advised of the actions they intend to take and have taken to rectify such breach or potential breach and the progress they are making in rectifying same. The Agent and the Lender will be permitted to retain, for the account of the</p>

	applicable Obligor, the services of a consultant to monitor the Obligors' compliance with this paragraph (y);
	(ee) provide prompt notification to the Agent relating to any Energy Regulator's order or directive;
	(ff) provide prompt notification to the Agent for any Abandonment/Reclamation Order;
	(gg) maintain an LLR of no less than 2.0 in all relevant jurisdictions where each Obligor has PNG Assets;
	<p>(hh) if:</p> <ul style="list-style-type: none"> (i) because of a change in law, any applicable Energy Regulator ceases to use a LLR system as a means of determining compliance with ARO policies in any one or more of the relevant jurisdictions where any of the Obligors have PNG Assets; (ii) the method of calculation of any such LLR changes in any material manner in any one or more of the relevant jurisdictions where any of the Obligors have PNG Assets; or (iii) if the threshold for which license transfers of regulated properties permitted under a licensee liability regime in any one or more of the relevant jurisdictions where any of the Obligors have PNG Assets changes, <p>then, in any such case, enter into good faith discussions with the Lender and the Agent with a view to determining a comparable rating system or threshold, as applicable, to replace the concept of LLR that is, at such time, broadly accepted as the prevailing market practice for such regulation in the applicable jurisdiction(s), with the intent of having the respective positions of the Obligors, the Lender and the Agent after such change conform as nearly as possible to their respective positions immediately prior to such change; provided that, until any such agreement is reached, LLR shall continue to be calculated as if no such change had occurred;</p>
	(ii) other than the Permitted Dispositions, not sell, transfer, convey, lease or otherwise dispose of any of its properties or assets, other than in the ordinary course of its business;
	(jj) the Borrower agrees that as a specific condition to the Agent and Lender agreeing to provide the Facilities, the Borrower shall provide to the Agent the following regular reports:
	i. within 120 days after the end of each of its fiscal years:

	<ol style="list-style-type: none">1. annual financial statements of the Obligors on an review engagement basis and on a consolidated basis prepared by a firm of qualified accountants. If audited financial statements are not currently required, the Agent and the Lender reserve the right to require audited financial statements;2. ARO Budget for each Obligor, together with the ARO Schedule;3. an Abandonment and Reclamation Report for each Obligor for the fiscal year, in a format acceptable to the Agent;4. a LLR and decommissioning expense worksheet, in a format acceptable to the Agent, with an update as to the amount the Obligors have expended on decommission expenses during the fiscal year and how they have performed against the budgeted amount in the ARO Budget and ARO Schedule delivered pursuant to Covenants paragraph (ee)(2) hereof with an explanation from management to explain any material variations therefrom and any other matters related to any changes in the Obligors' ARO policies;5. external engineering report of the Obligors' total proved properties prepared by an accredited, independent firm of consulting petroleum engineers satisfactory to Agent and the Lender;6. an officer's certificate as to title of PNG Assets, attaching thereto a current land schedule of major producing petroleum and natural gas reserves held by the Obligors described by lease (type, date, term, parties), legal description (wells and spacing units), interest (W.I. or other APO/BPO interests), overrides (APO/BPO), gross overrides, and other liens, encumbrances and overrides; and7. an environmental certificate, in the form attached hereto as Schedule "C"; <ol style="list-style-type: none">ii. within 60 days following the end of each of its first 3 fiscal quarters, quarterly unaudited financial statements of the Obligors on a consolidated basis;iii. within 60 days following the end of each fiscal quarter:<ol style="list-style-type: none">a. production and revenue reports (operator statements or internally generated area-by-area summaries) for the Obligors' producing properties, certified by a senior officer of each
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	<p>Obligor, clearly indicating gross and/or net oil and gas production volumes, gross revenues, royalties and other burdens, operating costs, etc.; and</p> <p>b. LLR reporting for each Obligor and each relevant jurisdiction where the Obligors have PNG Assets;</p> <p>iv. within 90 days after the end of each of its fiscal year ends, annual capital and revenue budget reports from the Obligors for the next following fiscal year which include gross and/or net oil and gas production volumes, gross revenues, royalties and other burdens, operating costs, general & administrative costs, commodity price assumptions and, if available, a pro forma balance sheet;</p> <p>v. within 45 days following the end of each calendar month, monthly in-house update on combined operating budget with management comments on any variance greater than 10% against the base model;</p> <p>vi. upon receipt of any notice relating to, or upon any material update to the status of, the Quebec Transaction, within 5 days following the receipt of such notice, a copy of such notice to the Agent, or within 5 days following any such material update, a written report of such material update to the Agent; and</p> <p>vii. on request, any further information regarding the assets, operations and financial condition of the Obligors that the Agent and the Lender may from time to time reasonably require;</p>
	<p>Nothing contained in the above provisions shall limit, restrict or prevent the Agent or Lender from requesting such other information from the Obligors from time to time, at its discretion, as set out in other provisions of this Agreement;</p>
	<p>(kk) maintain producing petroleum and natural gas reserves with respect to the Wyoming Assets in an amount of at least \$50,000,000, as evidenced by a Ryder Scott reserve report as of December 31, 2019, which report shall be provided to the Agent no later than February 28, 2020;</p>
	<p>(ll) as soon as practicable following the date hereof, provide the Agent with a duly executed copy of the assignment of leases in favour of Cuda Energy LLC with respect to the Additional Wyoming Assets, containing the recording data from each applicable county in the State of Wyoming in which the Additional Wyoming Assets are located;</p>

	(mm) not acquire any assets in, or move or allow any of its assets to be moved to, a jurisdiction where the Agent and the Lender has not registered or perfected the Security, without the Agent's consent;
	(nn) not permit any reorganization or change of control of any Obligor;
	(oo) not purchase or redeem its shares or units or otherwise reduce the capital of any Obligor without the Agent's consent;
	(pp) not sell, transfer, convey, encumber or otherwise dispose of any of its capital stock or permit any reorganization or change of control of any Obligor;
	(qq) not declare or pay any dividends, or distributions to shareholders, or repay any shareholders' loans, interest thereon or share capital of any Obligor without the Agent's consent;
	(rr) not make loans or advances (excluding for greater certainty, salaries and bonuses (which shall not be funded from the sale of assets) payable in the ordinary course of business and in accordance with past practice) to shareholders, directors, officers or any other related or associated party;
	(ss) not make any capital expenditures other than capital expenditures not exceeding \$15,000,000.00 in the aggregate in any fiscal year, provided that both before and immediately after each such capital expenditure is made no Event of Default has occurred and is continuing;
	(tt) not grant, create, assume or suffer to exist any mortgage, charge, Encumbrance, pledge, security interest, including a purchase money security interest, or other encumbrance affecting the Collateral except for Permitted Encumbrances;
	(uu) not maintain any operating and deposit accounts with any other deposit taking institution other than as disclosed in Schedule "D";
	(vv) not cancel any debt owing to it;
	(ww) other than the previously issued convertible debentures of Junex Inc. in the aggregate amount not exceeding \$2,500,000.00, not create, incur, assume or permit to exist any indebtedness, except indebtedness consented to in writing by the Agent, provided that "indebtedness" includes, without limitation, (i) debt for borrowed money or for the deferred purchase price of property or services (including reimbursement and all other obligations with respect to surety bonds, letters of credit and bankers' acceptances, whether or not matured); (ii) all indebtedness created or arising under any conditional sale or other title retention agreements; (iii) a guarantee, indemnity or financial support obligation other than

	in the ordinary course of business; and (iv) capital lease obligations;
	(xx) not grant a loan or make an investment in or provide financial assistance to a third party by way of a suretyship, guarantee or otherwise except for (i) financial assistance existing as of the date of this Agreement (including the Cuda/Junex Intercompany Loan), and (ii) financial assistance delivered in connection with indebtedness secured by Permitted Encumbrances;
	(yy) not change its name, merge, amalgamate, amend its constating documents or amend or enact new by-laws or otherwise enter into any other form of business combination with any other entity without the prior written consent of the Agent;
	(zz) subject to covenant (r) hereunder, permit any Subsidiary other than a Material Subsidiary to own more than 5% of consolidated assets or account for more than 5% of the consolidated total revenue of the Borrower;
	(aaa) will not, in any material respects, allow any pollutant (including any pollutant now on, under or about such land) to be placed, handled, stored, disposed of or released on, under or about any of its lands unless done in the normal course of its business and then only as long as it complies with all Applicable Laws including without limitation, Environmental Laws, in placing, handling, storing, transporting, disposing of or otherwise dealing with such pollutant;
	(bbb) will not enter into any Hedging Agreement other than for risk management purposes in the ordinary course of its business, and will not enter into any Hedging Agreement which, in the case of commodity swaps or similar transactions of either a financial or physical nature, have a term exceeding two years or if more than 50% of its forecasted production from proved producing resources would be hedged at the time of determination for the hedged period;
	(ccc) no part of the proceeds of the Facilities will be used, directly or indirectly: i. in any manner that would result in a violation of any Sanction; or ii. in violation of any applicable AML Laws or Anti-Corruption Laws;
	(ddd) will not make any corporate change that could result in any of its Government Authorizations being suspended, revoked or such Governmental Authority imposing restrictions or additional conditions on any of such Government Authorizations;

	(eee) will not acquire or dispose of any assets which would result in any of the Obligors' pro forma LLR to be less than 2.0 in any relevant jurisdiction where any such Obligor has PNG Assets; and
	(fff) if the Quebec Transaction does not close in accordance with the Quebec Transaction Agreement, the amount of the Quebec Transaction Advance shall be forthwith paid and applied to the Obligations under Facility 2.
Security and other Requirements:	As general and continuing security for the performance by the Obligors of all of their respective obligations, present and future, to the Agent for and on behalf of the Lender, including, without limitation, the repayment of advances granted hereunder and the payment of interest, fees and any other amounts provided for hereunder and under the security documents, the Obligors undertake to grant, as applicable, or cause to be granted, to the Agent for and on behalf of the Lender and to maintain at all times the following security in form satisfactory to the Agent (the " Security "), in accordance with the forms in use by the Agent or as prepared by its solicitors:
	(a) a fixed and floating charge demand debenture from each Obligor in the amount of \$45,000,000.00 granting a first priority floating charge over all of the such Obligor's Alberta Assets and a first fixed charge on any or all real property comprising the Alberta Assets of such Obligor so designated by the Agent and the Lender, registered in the Province of Alberta, subject only to Permitted Encumbrances;
	(b) a mortgage, security agreement, financing statement and assignment from Cuda Energy LLC granting a first priority floating charge over all of the Wyoming Assets and a first fixed charge over any or all real property comprising the Wyoming Assets of such Obligor so designated by the Agent and the Lender, registered in the State of Wyoming, subject only to Permitted Encumbrances, and an amending mortgage from such Obligor over all of the Wyoming Assets of such Obligor to increase the maximum amount secured by the mortgage to \$43,000,000 (the " Mortgage Amendment "), and to be registered in the State of Wyoming, subject only to Permitted Encumbrances;
	(c) a deed of hypothec from each Obligor granting a first ranking hypothec over all movables property forming part of the Junex/Cuda Quebec Assets and all immovable property comprising the Junex/Cuda Quebec Assets of such Obligor so designated by the Agent and the Lender, registered in the Province of Québec, subject only to Permitted Encumbrances;
	(d) an unlimited liability guarantee from each Guarantor, whereby it guarantees all Obligations of the Borrower to the Agent and the Lender;

	(e) an assignment of adequate all risk, business interruption, commercial general liability and property insurance (including the equipment of each Obligor;
	(f) a share pledge agreement from Cuda Oil and Gas Inc. with respect to its share capital in any other Obligor;
	(g) a blocked account agreement from each Obligor with respect to each of their deposit accounts as disclosed in Schedule "D" hereto;
	(h) an assignment of leases for each Obligor with respect to all real property leases held by such Obligor;
	(i) to the extent required by the Agent, landlord waivers in respect of all real property leased by the Obligors (or any of them); and
	(j) Alberta Land Titles Office name search consent from each Obligor.
	The Borrower undertakes and agrees to grant, or cause to be granted, to the Agent for and on behalf of the Lender, such other security and supporting documents, certificates, insurance deliveries or instruments in respect of the Obligors (including such other third party postponement and subordinations, waivers and estoppels) as may be reasonably requested by the Agent from time to time. For certainty, all Security shall cross collateralize all of the Obligations.
	Each of the Obligors hereby acknowledges and agrees that, notwithstanding anything contained in this Agreement, each of the Security previously granted by the Obligors (or any of them) to the Agent, for and on behalf of the Lender, in connection with the Original Loan Agreement (as amended, modified or supplemented in connection with this Agreement) continues in full force and effect, without in any way impairing or derogating from any of the mortgages, pledges, charges, assignments, security interests and covenants therein contained or thereby constituted, as continuing security for all indebtedness, liabilities and obligations of the Obligors (and each of them) to the Agent and the Lender, arising or incurred in connection with this Agreement and the Security. Each of the Obligors acknowledges and agrees that the Agent and the Lender are relying on this paragraph in connection with its commitments under this Agreement and further acknowledges and agrees that references in the Security to the "Loan Agreement" or the "Credit Agreement" (as applicable) shall include this Agreement, as the same may be amended, modified, supplemented, restated or replaced, from time to time, and the other documents, instruments and agreements entered into pursuant thereto.
Registration:	The Security will be registered in the Provinces of Alberta and Québec, the State of Wyoming and or filed in all jurisdictions and in all offices

	as the Agent considers necessary or advisable from time to time to create, perfect or protect any Encumbrance created thereby.
Events of Default:	Without limiting any other rights of the Agent or the Lender under this Agreement, including the right of the Agent or the Lender to demand repayment at any time irrespective of the occurrence or continuance of an Event of Default, if any one or more of the following events (an “ Event of Default ”) has occurred and is continuing:
	(a) the Borrower fails to pay when due any principal, interest, fees or other amounts due under this Agreement or under any of the Security;
	(b) the Borrower fails to pay the Prepayment Amount in full within five (5) days of the Prepayment Date set forth in the Prepayment Notice issued by the Borrower;
	(c) any of the Obligors breaches any provision of this Agreement or any of the Security or other agreement with the Agent and such breach is not cured within five (5) days;
	(d) any Obligor is in default under the terms of any other contracts, instruments or agreements with any other creditor;
	(e) any representation or warranty made or deemed to have been made in this Agreement or any other Credit Document, or in any written statement pursuant hereto or thereto, including any information certificate delivered in association with the entering into this Agreement, or in any report, financial statement or certificate made or delivered to the Agent by the Borrower, shall be untrue or incorrect as of the date when made or deemed made;
	(f) any Obligor which is a corporation ceases or threatens to cease to carry on business in the ordinary course or makes a bulk sale of its assets;
	(g) any default or failure by any Obligor that is a corporation to make any payment of wages or other monetary remuneration payable by the Borrower to its employees under the terms of any contract of employment, oral or written, express or implied;
	(h) any default or failure by any of the Obligors to keep current all amounts owing to parties other than the Agent or the Lender who, in the Agent’s sole opinion, have or could have a security interest, trust or deemed trust in the property, assets or undertaking of the Obligor which, in the Agent’s sole opinion could rank in priority to the security held by the Agent upon the Collateral;
	(i) if, in the reasonable opinion of the Agent, there is a Material Adverse Change in the financial condition, ownership or operation of an Obligor;

	(j) an Obligor is unable to pay its debts as such debts become due, or is adjudged or declared to be or admit to being bankrupt or insolvent;
	(k) any judgment or award is made against an Obligor, in respect of which (i) in the opinion of the Agent, acting reasonably, is likely to cause a Material Adverse Effect with respect to the Obligor, (ii) there is not an appeal or proceeding for review being diligently pursued in good faith or (iii) adequate provision has not been made on the books of the Obligor, as applicable;
	(l) if any of the Governmental Authorizations granted by any Governmental Authority material to the business of any Obligor is withdrawn, cancelled, suspended or adversely amended;
	(m) if an Obligor fails to remit to the applicable Governmental Authority any material priority payable owing by it within 15 days of the date that Priority Payable became due;
	(n) if any Environmental Order is issued by any Governmental Authority against an Obligor and that Environmental Order has not been satisfied or discharged within the time allowed for in that Environmental Order or, if no time is specified in that Environmental Order, within 90 days after the date that Environmental Order was received by an Obligor, (or any longer period as Agent may agree to, acting reasonably, provided that such Obligor is at all times acting diligently and in good faith to satisfy the Environmental Order); and save and except where that Environmental Order is being contested actively and diligently in good faith by appropriate and timely proceedings and the enforcement of that Environmental order has been stayed; or
	(o) any notice of intention is filed or any voluntary or involuntary case or proceeding filed or commenced for:
	(i) the bankruptcy, liquidation, winding-up, dissolution or suspension of general operations of an Obligor, or the approval of a plan or a proposal for liquidation by any of the shareholders of an Obligor;
	(ii) the composition, rescheduling, reorganization, arrangement or readjustment of, or other relief from, or stay of proceedings to enforce, some or all of the debts of an Obligor;
	(iii) the appointment of a trustee, receiver, receiver and manager, liquidator, administrator, custodian or other official for, all or any significant part of the assets of an Obligor;

	(iv) the possession, foreclosure, retention, sale or other disposition of, or other proceedings to enforce security over, all or any significant part of the assets of an Obligor; or
	(v) any secured creditor, encumbrancer or lienor, or any trustee, receiver, receiver and manager, agent, bailiff or other similar official appointed by or acting for any secured creditor, encumbrancer or lien or, takes possession of or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security over all or any significant part of the assets of an Obligor or gives notice of its intention to do any of the foregoing,
	then, in such event, the Agent may, by written notice to the Borrower declare all monies outstanding under the Facilities to be immediately due and payable. Upon receipt of such written notice, the Obligors shall immediately pay to the Agent all monies outstanding under the Facilities and all other obligations of the Borrower to the Agent in connection with the Facilities under this Agreement. The Agent may enforce its rights to realize upon its Security and retain an amount sufficient to secure the Agent for the Obligations to the Agent and the Lender.
	Nothing contained in this section shall limit any right of the Agent or the Lender under this Agreement to demand payment of the Facilities at any time.
Evidence of Indebtedness:	The Agent shall maintain records evidencing the Facilities. The Agent shall record the principal amount of the Facilities, the payment of principal and interest on account of the Facilities, and all other amounts becoming due to the Agent or the Lender under this Agreement.
	The Agent's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Agent and the Lender pursuant to this Agreement.
Representations and Warranties:	The Borrower represents and warrants to the Agent and the Lender that:
	(a) each Obligor that is a corporation has been incorporated under the laws of its jurisdiction of incorporation and has not been terminated;
	(b) each Obligor that is a corporation is duly registered and licensed to carry on business in the jurisdictions in which it carries on business or owns property where so required by the laws of that jurisdiction and it is not otherwise precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document;
	(c) each Obligor that is a corporation has full corporate power and authority to carry on its business as now carried on by it;

	(d) each Obligor has complied and will fully comply with the requirements of all Applicable Laws;
	(e) each Obligor is in compliance with all Applicable Laws (including Applicable Securities Laws and Environmental Laws) in the jurisdictions in which it carries on business, has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations and statutes, and is not aware of any pending change or contemplated change to any Applicable Law that would materially affect its business or the legal environment under which it operates;
	(f) each Obligor is in compliance with all Abandonment/Reclamation Orders that it has received from any applicable Energy Regulator;
	(g) each Obligor which is a Corporation has or will have when required, all Governmental Authorizations under all Applicable Laws and regulations necessary for the operation of the businesses currently carried on, or proposed to be carried on, by it and each Governmental Authorization is valid, subsisting and in good standing and it is not in default or breach of any Governmental Authorization, and to the best of its knowledge, no material proceeding is pending or threatened to revoke or limit any Governmental Authorization;
	(h) there is no existing material impairment to the properties or assets of the Obligors as a result of any Release, except to the extent disclosed in writing to, and acknowledged by, the Agent, and: i. each Obligor possesses all environmental licences, permits and other Governmental Authorizations necessary to conduct its business including operations at its properties and facilities, other than such licences, permits and other Governmental Authorizations the absence of which would not individually or in the aggregate have a Material Adverse Effect; ii. none of the Obligors have received any notices to the effect that the operations or the assets of any of the Obligors on its real property are: (A) not in full compliance with all Environmental Laws, except to the extent that any failure to do so would not have, individually or in the aggregate, a Material Adverse Effect or (B) the subject of any federal or provincial remedial or control action or order, or any investigation or evaluation as to whether any remedial action is needed to respond to a release or threatened release of any Hazardous Materials into the Environment or any facility or structure, except to the extent any failure to comply would not have a Material Adverse Effect; and

	<p>iii. none of the Obligors have received any notices or claims that it is or may be liable to any Person in any material amount (including any individual or government, whether federal, provincial, city or municipal) as a result of the Release or threatened Release of any Hazardous Materials into the Environment or into any facility or structure nor have there been any Releases, spills or discharges of any Hazardous Materials into the Environment or into any facility or structure, which after lapse of time, would give rise to any Environmental Claims which would have a Material Adverse Effect nor are any of the Obligors aware that there is any basis for any such Environmental Claims being commenced nor has any Obligor ever been convicted, prior to the date hereof, of any offence in respect of Environmental Claims;</p>
	<p>(i) the execution, delivery and performance by the Obligors of this Agreement and all documents delivered in connection with this Agreement have been duly authorized by all necessary actions and do not violate the constating documents or any Applicable Laws or agreements to which it is subject or by which it is bound;</p>
	<p>(j) the Obligors' financial statements most recently provided to the Agent fairly present its financial positions as of the date thereof and its results of operations and cash flows for the fiscal period covered thereby, and since the date of such financial statements, there has occurred no Material Adverse Change in the Obligors' business or financial condition;</p>
	<p>(k) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against any Obligor or any of its assets or properties (including any of its intellectual property) before any court or administrative agency which relates to any non-compliance with any law which, if adversely determined, might have a Material Adverse Effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any of the Security, and there are no circumstances of which it is aware which might give rise to any such proceeding which has not been fully disclosed to the Agent;</p>
	<p>(l) the common shares of Cuda Oil are listed and posted for trading on the TSXV and all necessary notices and filings will have been made with and all necessary consents, approvals, authorizations will have been obtained by Cuda Oil from the TSXV to ensure that the Lender Shares will be listed and posted for trading on the TSXV upon their issuance subject to resale restrictions imposed under Applicable Securities Laws;</p>
	<p>(m) no order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Lender Warrants, the Lender Shares, or any other security of Cuda Oil has been issued or made by any securities commission or stock exchange or any other</p>

	regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the best of the Obligors' knowledge, contemplated or threatened by any such authority or under any Applicable Securities Laws;
	(n) there is no person, firm or corporation acting for any Obligor entitled to any brokerage or finder's fee in connection with this Agreement or any of the transactions contemplated hereunder;
	(o) each of the documents forming the Disclosure Record filed since January 1, 2016 by or on behalf of Cuda Oil with any securities commission or the TSXV, did not contain a misrepresentation, determined as at the date of filing, which has not been corrected by the filing of a subsequent document which forms part of the Disclosure Record;
	(p) the forms and terms of the certificates representing the Lender Warrants and Lender Shares have been approved and adopted by the board of directors of Cuda Oil and the form and terms of the certificate representing the Lender Shares will not conflict with any Applicable Laws, Applicable Securities Laws or the rules of the TSXV;
	(q) AST Trust Company, at its principal offices in Calgary, Alberta, Toronto, Ontario and Montreal, Quebec has been duly appointed as the registrar and transfer agent for the Lender Shares;
	(r) there is no litigation or governmental proceeding pending against any Obligor or, to the best of its knowledge, threatened against it which, if adversely determined, would materially adversely affect its financial condition;
	(s) no Obligor is a party to any agreement or instrument, or subject to any corporate restriction or any judgment, order, writ, injunction, decree, award, rule or regulation, which has had a Material Adverse Effect or, to the best of its knowledge, in the future is likely to have a Material Adverse Effect, its ability to enter this Agreement or any other Credit Document or to perform its obligations under this Agreement or any other Credit Document;
	(t) no Obligor which is a corporation has contingent liabilities which are not disclosed on or referred to in the financial statements most recently delivered to the Agent which would have a Material Adverse Effect on its business or prospects;
	(u) each Obligor has good and marketable title to the Collateral pledged by it pursuant to the Security free and clear of any Encumbrances, other than Statutory Encumbrances, Permitted Encumbrances or as may otherwise be provided for herein;

	(v) there are no outstanding rent payments owing by an Obligor in respect of any leased real property;
	(w) all engineering data, production and cash flow projections, and other information and data provided to the Agent by or on behalf of any Obligor (including, without limitation, any engineering reports and land schedules) are true and correct in all material respects as at the time provided and fairly reflect the interests of the Obligors therein net of all royalties and other burdens affecting the same. The Obligors have given to the Agent and the Lender all material information in the possession of or available to them and relevant to the assessment of the credit facilities of the type herein contemplated and, in addition, all information necessary to make any statements contained herein not misleading in the light of the circumstances in which they were given, and there is no fact known to any Obligor as of the date hereof that has not been disclosed by it to the Agent and the Lender in writing that would reasonably be expected to have a Material Adverse Effect;
	(x) no Default has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, an Event of Default, a breach of any covenant or other term or condition of this Agreement or any of the Security given in connection therewith;
	(y) each Obligor has filed all tax returns which were required to be filed by it, if any, paid or made provision for payment of all taxes (including interest and penalties) which are due and payable, if any and provided adequate reserves for payment of any tax, the payment of which is being contested, if any;
	(z) as at the Closing Date, none of the Borrower, Cuda Energy LLC or Junex Inc. have any Subsidiaries;
	(aa) as at the Closing Date, the organizational structure of the Obligors is as set forth in Schedule "F" attached hereto;
	(bb) as at the Closing Date, the only operating and deposit accounts of each Obligor are set out in Schedule "D" hereto;
	(cc) each Obligor, each Subsidiary of any Obligor, and each director, officer, employee and agent thereof is in compliance, in all material respects, with all applicable Sanctions, Anti-Corruption Laws and AML Laws; and
	(dd) no Obligor, nor any Subsidiary of any Obligor nor any director, officer, employee or agent thereof is (i) the subject of any Sanction, or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of any Sanction.
Securities Law Matters:	The Agent represents and warrants to the Obligors that it is purchasing the Lender Warrants for investment only and not with a view to the

	<p>resale or distribution of all or any of the Lender Warrants or Lender Shares and it further represents and warrants that the Agent and each Lender is an “accredited investor” as defined in National Instrument 45-106 - Prospectus Exemptions and was not created or used solely to purchase or hold securities as an accredited investor. The Agent shall provide Cuda Oil with a certificate confirming the status of the Agent and each Lender as an “accredited investor” in such form as Cuda Oil may reasonably request.</p>
<p>Books and Records:</p>	<p>The Borrower agrees, upon request and 24 hours prior written notice, to promptly provide the Agent with unfettered access to the books and records of the Obligors.</p>
<p>Confidentiality:</p>	<p>The terms of this Agreement are confidential, and accordingly the Borrower will not disclose the contents of this Agreement to anyone except its professional advisors or as required under Applicable Laws.</p> <p>An Obligor's information, corporate or personal, may be subject to disclosure without its consent pursuant to provincial, federal, national or international laws as they apply to the product or service the Borrower has with the Agent, the Lender or any third party acting on behalf of or contracting with the Agent and the Lender. The Obligors acknowledge that, pursuant to AML Laws, government sanction and "know your client" laws, the Agent and the Lender may be required to obtain, verify and record information regarding the Obligors, their respective subsidiaries, directors, authorized signing officers, direct or indirect shareholders or other Persons, in control of any Obligor and the transactions contemplated thereby. The Obligors shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Agent and the Lender, or any prospective assignee or participant hereunder, in order to comply with applicable AML Laws, government sanction and "know your client" laws, whether now or hereafter in existence.</p>
<p>General:</p>	<p>Credit: The Obligors authorize the Agent, hereinafter, to obtain such factual and investigative information regarding it, from others as permitted by law, and to furnish other consumer credit grantors and credit bureaus such information. The Agent, after completing credit investigations, which it will make from time to time concerning the Obligors, must in its absolute discretion be satisfied with all information obtained prior to any advance being made under the Facilities.</p>
	<p>The Obligors further authorize any financial institution, creditor, tax authority, employer or any other person, including any public entity, holding information concerning it, or its assets, including any financial information or information with respect to any undertaking or suretyship given by the Obligors, to supply such information to the Agent in order to verify the accuracy of all information furnished or to be furnished from time to time to the Agent and to ensure the solvency of the Obligors at all times.</p>

	Currency: Unless otherwise specified, references in this Agreement to "\$" and "dollars" mean Canadian dollars.
	Consent re: Permitted Encumbrances: For certainty, the permission to create a Permitted Encumbrance shall not be construed as a subordination or postponement, express or implied, of Security to such Permitted Encumbrance.

Indemnity: In addition to any other indemnity provided for in this Agreement, each Obligor agrees to indemnify the Agent and the Lender and any receiver, receiver manager or similar Person appointed under Applicable Law, and their respective shareholders, affiliates, officers, directors, employees and agents, and "**Indemnified Party**" means any one of the foregoing, on demand against any loss, expense or liability which such Indemnified Party may sustain or incur as a consequence of the action or inaction of any Obligor whatsoever, including, without limitation:

- (a) any default in payment of the principal amount of any borrowing or any part thereof or interest accrued thereon, as and when due and payable;
- (b) any failure to fulfill on or before the Closing Date the conditions precedent as provided for in this Agreement, if as a result of that failure that the initial advance under either of the Facilities is not made on that date, including but not limited to any loss or expense sustained or incurred in liquidating or redeploying deposits or other funds contracted for or acquired or used to effect or maintain any part of that advance;
- (c) the occurrence of any applicable default or Event of Default under this Agreement;
- (d) any misrepresentation made by an Obligor in this Agreement or in any instrument in writing delivered to Lender in connection with this Agreement;
- (e) any failure to comply with any Applicable Laws, including, without limitation, any Environmental Laws;
- (f) any default in the payment or performance of any covenant to pay or remit present or future taxes, or to make and remit withholdings or deductions with respect to any taxes or Priority Payables to any Governmental Authority; or
- (g) any order made or any inquiry, investigation or proceeding instituted, threatened or announced by any court, securities regulatory authority, stock exchange or by any other competent authority, based upon any untrue statement, omission or misrepresentation or alleged untrue statement, omission or misrepresentation (except a statement, omission or misrepresentation relating solely to the Agent and furnished in writing by the Agent to Cuda Oil for use therein) contained in the Disclosure Record or any document or material filed or delivered on behalf of an Obligor pursuant to this Agreement, preventing or restricting the trading in or the sale or distribution of the Lender Warrants, the Lender Shares or any other securities of Cuda Oil.

This indemnity will: (i) survive the repayment or cancellation of the Facilities or any termination of this Agreement; and (ii) not apply to any

	Indemnified Party to the extent directly caused by the gross negligence or wilful misconduct on the part of such Indemnified Party.
	Non-Merger: The provisions of this Agreement shall not merge with any of the Security, but shall continue in full force and effect for the benefit of the parties hereto. In the event of an inconsistency between this Agreement and any of the Facilities and security documentation, including the Security, the provisions of this Agreement shall prevail.
	Further Assurances and Documentation: The Obligors shall do all things and execute all documents deemed necessary or appropriate by the Agent for the purposes of giving full force and effect to the terms, conditions, undertakings hereof and the Security granted or to be granted hereunder.
	Severability: If any provisions of this Agreement is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor shall it invalidate, affect or impair any of the remaining provisions of this Agreement.
	Notice: Any communication or notice to be given pursuant to this Agreement may be effectively given by delivering the same at the addresses set out below, or by sending the same by pdf or prepaid registered mail to the parties at such addresses. Any notice so mailed will be deemed to have been received on the fifth (5th) day next following the mailing thereof, provided that postal service is in normal operation during such time. Any pdf notice will be deemed to have been received on transmission if sent prior to 3:00 pm on a Business Day and, if not, on the next Business Day following transmission. Either party may from time to time notify the other party, in accordance with this section, of any change of its address which thereafter will be the address of such party for all purposes of this Agreement. It is the Borrower's obligation to notify the Agent of any change to its address. If the Agent is not advised of such change of address, the last known address that the Agent has will be deemed to be the current address for purposes of notice and service under this Agreement.
	If to the Obligors: Cuda Energy Inc. Suite 2110, 440 - 2 nd Avenue SW, Calgary, Alberta T2P 5E9 Attention: Glenn Dawson Email: gdawson@cudaenergy.ca
	- and -

	<p>If to the Agent and the Lender:</p> <p>c/o Bridging Finance Inc. Suite 2925 77 King Street West P.O. Box 322 Toronto, Ontario M5K 1K7</p> <p>Attention: Robb Cacovic, Senior Managing Director Email: rcacovic@bridgingfinance.ca</p>
	<p>Exhibit and Schedules: The Exhibit and Schedules attached to this Agreement are incorporated by reference herein and are deemed to be part hereof.</p>
	<p>Marketing: The Agent and the Lender shall be permitted to use the name of the Borrower and the amount of the Facilities for advertising purposes.</p>
	<p>Governing Law: This Agreement and all agreements arising hereinafter shall be deemed to have been made and accepted in the City of Calgary, Alberta and construed in accordance with and be governed by the laws of the Province of Alberta and of Canada applicable therein.</p>
	<p>Counterparts: This Agreement, the Security and all agreements arising hereinafter may be executed in any number of separate counterparts by any one or more of the parties thereto, and all of said counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by telecopier, PDF or by other electronic means shall be as effective as delivery of a manually executed counterpart.</p>
	<p>Assignment and Syndication: This Agreement when accepted and any commitment to advance, if issued, and the Security in furtherance thereof or right may be assigned by the Agent or the Lender, or monies required to be advanced may be syndicated by the Agent or the Lender from time to time. For greater certainty, the Agent or the Lender may assign or grant participation in all or part of this Agreement or in the Facilities made hereunder without notice to and without the consent of the Obligors. The Obligors may not assign or transfer all or any part of their rights or obligations under this Agreement, any such transfer or assignment being null and void insofar as the Agent and the Lender are concerned and rendering any balance then outstanding under the Facilities immediately due and payable at the option of the Agent or the Lender.</p>
	<p>Time: Time shall be of the essence in all provisions of this Agreement.</p>

	<p>Whole Agreement, Amendments and Waiver: This Agreement, the Security and any other written agreement delivered pursuant to or referred to in this Agreement constitute the whole and entire agreement between the parties in respect of the Facilities and supersedes and replaces all prior discussions, letters and agreements describing the terms and conditions of the Facilities. There are no verbal agreements, undertakings or representations in connection with the Facilities. No amendment or waiver of any provision of this Agreement will be effective unless it is in writing signed by the Borrower, and the Agent. No failure or delay on the part of the Agent or the Lender in exercising any right or power hereunder or under any of the Security shall operate as a waiver thereon. The obligations of a Guarantor (if any) will not be diminished, discharged or otherwise affected by or as a result of any such waiver, except to the extent that such waiver relates to an obligation of such Guarantor. Any waiver by the Agent and the Lender of the strict performance of any provision hereof will not be deemed to be a waiver of any subsequent default, and any partial exercise of any right or remedy by the Agent and the Lender shall not be deemed to affect any other right or remedy to which the Agent or the Lender may be entitled. No delay on the part of the Agent or the Lender in exercising any right or privilege will operate as a waiver of that right or privilege, and no delay or waiver of any failure or default will operate as a waiver of any subsequent failure or default unless made in writing and signed by an authorized officer of the Agent. No course of conduct by the Agent or the Lender will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Security or the Agent's or the Lender's rights thereunder.</p>
<p align="center"><i>- Signature page follows -</i></p>	

If the terms and conditions of this Agreement are acceptable to you, please sign in the space indicated below and return the signed copy of this Agreement to us. Acceptance may also be effected by facsimile or scanned transmission and in counterpart.

We thank you for allowing us the opportunity to provide you with this Agreement.

Yours truly,

BRIDGING FINANCE INC., as agent

Per: (signed) "Natasha Sharpe"

Name: Natasha Sharpe

Title: Chief Investment Officer

I have authority to bind the Corporation.

ACCEPTANCE

The undersigned hereby accepts this Agreement this 26th day of June, 2019.

CUDA ENERGY INC., as Borrower

Per: (signed) "Ron Purvis"

Name: Ron Purvis

Title: Chief Financial Officer

Per: _____

Name:

Title:

I/We have authority to bind the Corporation.

CUDA OIL AND GAS INC., as Guarantor

Per: (signed) "Ron Purvis"

Name: Ron Purvis

Title: Chief Financial Officer

Per: _____

Name:

Title:

I/We have authority to bind the Corporation.

CUDA ENERGY LLC, as Guarantor

Per: _____ (signed) "*R. Glenn Dawson*"
Name: R. Glenn Dawson
Title: Manager

Per: _____
Name:
Title:

I/We have authority to bind the Corporation.

JUNEX INC., as Guarantor

Per: _____ (signed) "*Ron Purvis*"
Name: Ron Purvis
Title: Chief Financial Officer

Per: _____
Name:
Title:

I/We have authority to bind the Corporation.

SCHEDULE "A"

DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

- (a) **"Abandonment/Reclamation Order"** means any order, directive or demand to post security deposits issued by an Energy Regulator which relates to any PNG Assets, including abandonment and reclamation liabilities associated therewith.
- (b) **"Abandonment and Reclamation Report"** means a report pertaining to the ARO of the Obligor in respect of upstream oil and gas wells, facilities, and pipelines, segmented and in sufficient detail as requested by the Agent, acting reasonably which shall include: (a) the total number of such wells, categorized between active (producing) and inactive (non-producing) wells, and in each case, segregated between (i) operated and non-operated wells and (ii) gross and net wells; (b) abandonment and reclamation liability related to all such wells (expressed using uninflated and undiscounted values in nominal dollars), segregated between (i) active and inactive wells, (ii) operated and non-operated wells and (iii) gross and net wells; (c) abandonment and reclamation liabilities (expressed using uninflated and undiscounted values in nominal dollars) of the Obligor for active facilities and pipelines, inactive facilities and pipelines and sites requiring reclamation only; and (d) a list of third party operators for non-operated wells, facilities and pipelines of the Obligor (including gross number of wells, facilities and pipelines operated by each of them).
- (c) **"Additional Wyoming Assets"** means the 33.33% working interest in the Cole Creek unit and surrounding lands located in Converse and Natrona Counties in Wyoming and a 33.33% working interest in lands acquired by Cuda Energy LLC in a recent Bureau of Land Management mineral land sale in Converse and Natrona Counties in Wyoming, which are subject to the execution, delivery and registration of an assignment of leases related thereto.
- (d) **"Affiliate"** has the meaning given thereto in the *Canada Business Corporations Act*.
- (e) **"Alberta Assets"** means all the Obligor's Property and PNG Assets in the Province of Alberta, as more particularly disclosed in Schedule "E" hereto.
- (f) **"AML Laws"** means all laws, rules and regulations relating to money laundering or terrorist financing, including, without limitation, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), Part II.1 of the *Criminal Code* (Canada), the *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism* (Canada) and the *United Nations Al-Qaida and Taliban Regulations* (Canada).
- (g) **"Anti-Corruption Laws"** means all laws, rules and regulations relating to bribery or corruption, including, without limitation, the *Corruption of Foreign Public Officials Act* (Canada).
- (h) **"Applicable Laws"** means, with respect to any person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or

monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction.

- (i) “**Applicable Securities Laws**” means the securities acts in all provinces of Canada where applicable to the parties hereto, together with all the regulations and rules made and promulgated thereunder and all administrative policy statements, instruments, blanket orders and rulings, notices and administrative directions issued by the securities commission or equivalent regulatory authority in the provinces of Canada.
- (j) “**ARO**” means at any time the present and future, direct or indirect, absolute or contingent obligations of any Obligor to abandon, restore, reclaim or otherwise remediate the wells, facilities, pipelines, storage sites and other property on, or in respect of, which such Obligor carries on business.
- (k) “**ARO Budget**” means, at any time, the decommissioning budget setting out in reasonable detail the amount of ARO of the Obligors.
- (a) “**ARO Schedule**” means, at any time, the decommissioning schedule setting out in reasonable detail the wells, facilities, pipelines, storage sites and other property of the Obligors that have associated ARO, which shall include a well and facilities list that is used by the Obligors in determining ARO to be included on the Obligors’ balance sheet.
- (b) “**Associate**” or “**associate**” means, with respect to any Person, an “associate” of such Person as defined in the *Canada Business Corporations Act*.
- (c) “**Business Day**” means any day other than a Saturday or a Sunday or any other day on which banks are closed for business in Toronto.
- (d) “**Capital Lease**” means any lease, license or similar transaction determined as a capital lease in accordance with GAAP.
- (e) “**Closing Date**” means the date on which all of the General Conditions Precedent under this Agreement are satisfied or otherwise waived by the Agent and the Lender, in their discretion.
- (f) “**Collateral**” means all present and future real and personal property, including without limitation, the PNG Assets, the Alberta Assets, the Junex/Cuda Quebec Assets and the Wyoming Assets, together with the proceeds thereof, all claims of the Obligors against third parties for loss of, damage to, or destruction of and all payments due or to become due under leases, rentals and hires of, any or all of such equipment and proceeds payable under, or unearned premiums with respect to the policies of insurance to the extent pertaining to such equipment pledged and granted to the Agent to secure, either directly or indirectly, repayment of any of the Obligations.
- (g) “**Contract**” means any agreement, contract, indenture, Lease, deed of trust, licence, option, undertaking, promise or any other commitment or obligation in writing, other than a Permit.
- (h) “**Credit Documents**” shall mean this Agreement and all security agreements, hypothecs, mortgages and all other documents, instruments, certificates, and notices at any time

delivered by any person (other than Agent, the Lender or affiliates of either of them) in connection with any of the foregoing.

- (i) **“Cuda/Junex Intercompany Loan”** means the unsecured loan by the Borrower to Junex Inc. to finance the Wyoming Acquisition.
- (j) **“Default”** means any of the events specified in the Section of this Agreement entitled “Events of Default” which constitutes an Event of Default or which, upon the giving of notice, the lapse of time, or both, would, unless cured or waived, become an Event of Default.
- (k) **“Disclosure Record”** means Cuda Oil’s prospectuses, annual reports, annual and interim financial statements, annual information forms, business acquisition reports, management discussion and analysis of financial condition and results of operations, information circulars, material change reports, press releases and all other information or documents required to be filed or furnished by Cuda Oil under Applicable Securities Laws which have been publicly filed or otherwise publicly disseminated by Cuda Oil.
- (l) **“Drawdown Date”** means the date, which shall be a Business Day, of any advance.
- (m) **“Drawdown Notice”** means a drawdown notice in the form attached hereto as Schedule “G”.
- (n) **“Encumbrance”** means:
 - (i) with respect to any Property, any mortgage, deed of trust, lien, pledge, hypothec, hypothecation, encumbrance, charge, assignment, consignment, security interest, royalty interest, adverse claim or defect of title in, on or of the Property;
 - (ii) the interest of a vendor or lessor under any conditional sale agreement, Capital Lease or title retention agreement relating to an asset;
 - (iii) any purchase option, call or similar right of a third party in respect of any Property;
 - (iv) any netting arrangement, set off arrangement, defeasance arrangement or other similar arrangement arising by Contract (other than customary bankers’ liens); and
 - (v) any other agreement, trust or arrangement having the effect of security for the payment or performance of any debt, liability or obligation,

and **“Encumbrances”**, **“Encumbrancer”**, **“Encumber”** and **“Encumbered”** shall have corresponding meanings.

- (o) **“Energy Regulator”** means (a) with respect to Alberta, the Alberta Energy Regulator, (b) with respect to British Columbia, means the BC Oil and Gas Commission, (c) with respect to the Saskatchewan, means the Saskatchewan Ministry of Energy and Resources, and (d) with respect to any other relevant jurisdictions where the Borrower has PNG Assets, the regulatory body with responsibility for the oversight of environmental matters in the oil and gas industry in such jurisdiction; and in each case, together with any successor agency, department, ministry or commission thereto.

- (p) **“Environment”** means each and every component of the earth, including all layers of the atmosphere, air, land (including all underground spaces and cavities and all lands submerged under water), soil, water (including surface and underground water), organic and inorganic matter and living organisms, and the interacting natural systems that include the components referred to in this definition.
- (q) **“Environmental Claim”** means any and all administrative, regulatory or judicial actions, suits, demands, claims, liens, security interests, notices of non-compliance or violation, investigations, inspections, inquiries or proceedings relating in any way to any Environmental Laws or to any permit issued under any such Environmental Laws including:
- (i) any claim by a Governmental Authority for enforcement, clean-up, removal, response, remedial or other actions or damages pursuant to any Environmental Laws, and
 - (ii) any claim by a Person seeking damages, contribution, indemnification, cost recovery, compensation or injunctive or other relief resulting from or relating to Hazardous Materials, including any Release thereof, or arising from alleged injury or threat of injury to human health or safety (arising from environmental matters) or the Environment.
- (r) **“Environmental Laws”** means any Applicable Laws relating, in whole or in part, to the protection or enhancement of the Environment, including with respect to occupational safety, product liability, public health, public safety and transportation or handling of dangerous goods.
- (s) **“Environmental Order”** means an order, directive or instruction issued by a Governmental Authority pursuant to or in respect of any Environmental Law.
- (t) **“GAAP”** means generally accepted accounting principles which are in effect from time to time in Canada, as established by the Canadian Institute of Chartered Accountants or any successor institute.
- (u) **“Governmental Authority”** means (i) any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory, or taxing authority or power of any nature; and (ii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them.
- (v) **“Governmental Authorization”** or **“Permits”** means, in respect of any transaction, Person or event, any authorization, exemption, license, permit, franchise or approval from, or any filing or registration with, any Governmental Authority applicable to such transaction, Person or event or to any of such Person's business, undertaking or property, including those required under any Environmental Law, and "Governmental Authorizations" means any and all of the foregoing.

- (w) **“Hazardous Materials”** means any and all hazardous substances, toxic waste, contaminants, pollutants or related materials, any products of waste, or any other contaminants, pollutants, substances or products declared to be waste, hazardous or toxic under Environmental Laws.
- (x) **“Hedging Agreement”** means any swap, hedging, interest rate, currency, foreign exchange or commodity contract or agreement, or confirmation in respect thereof, including without limitation as entered into from time to time in connection with:
 - (i) interest rate swaps, forward rate transactions, interest rate options, cap transactions, floor transactions and similar rate-related transactions;
 - (ii) forward rate agreements, foreign exchange forward agreements, cross currency transactions and other similar currency-related transactions; or
 - (iii) commodity swaps, hedging transactions and other similar commodity-related transactions (whether physically or financially settled);the purpose of which is to hedge (i) interest rate, (ii) currency exchange, and/or (iii) commodity price exposure, as the case may be.
- (y) **“Hydrocarbon Interests”** means all rights, titles, interests and estates now or hereafter acquired in and to oil sand properties, oil and gas leases, oil, gas and mineral leases, or other liquid or gaseous hydrocarbon leases, mineral fee interests, overriding royalty and royalty interests, farm-outs, net profit interests, carried interests and production payments and similar mineral interests, including any reserved or residual interests of whatever nature.
- (z) **“Hydrocarbons”** means oil, gas, coal seam gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, and all other liquid and gaseous hydrocarbons produced or to be produced in conjunction therewith from a well bore and all products, by-products, and other substances produced in conjunction with such substances, including sulfur, geothermal steam, water, carbon dioxide, helium, and any and all minerals, ores, or substances of value and all products refined or separated therefrom and the proceeds therefrom.
- (aa) **“Junex/Cuda Quebec Assets”** means all of the consolidated Property and undertakings of Junex Inc. and Cuda Oil & Gas Inc. situated in Quebec.
- (bb) **“Lender Share”** means one common share in the capital of Cuda Oil issuable upon the exercise of each Lender Warrant.
- (cc) **“Lender Warrants”** means warrants of Cuda Oil entitling the holder thereof to acquire, from Cuda Oil, one Lender Share (subject to adjustment in accordance with the terms of the Lender Warrants), at a price of \$0.65 per Lender Share for a period of 24 months from the date of issuance thereof, on and subject to the terms set out in and substantially in the form of Schedule “I” hereto.
- (dd) **“Lease”** includes any lease, sublease, offer to lease or sublease or occupancy or tenancy agreement, and **“Leased”** shall have a corresponding meaning.

- (ee) **“Liquidity Event”** means : (i) the sale, lease, pledge, transfer, exclusive license or other disposition of all or substantially all of the assets of the such person other than within the normal course of its business; (ii) an event, in one transaction or a series of transactions, including any amalgamation, arrangement, initial public offering, merger, consolidation, tender offer, exchange offer, share acquisition, binding share exchange, business combination, recapitalization or similar transaction, which results in the holders of voting securities of such person immediately prior to such transaction(s) holding, immediately after such transaction(s), directly or indirectly, less than 50% of the voting power to elect directors of the person resulting from the event; or (iii) the adoption by such person of a plan of liquidation providing for the distribution of all or substantially all of its assets.
- (ff) **“LLR”** means:
- (i) with respect to those assets located in the Province of Alberta, the liability management rating of a licensee calculated in accordance with Directive 006: Licensee Liability Rating (LLR) Program and Licence Transfer Process dated February 17, 2016 issued by the Alberta Energy Regulator, as the same may be amended, supplemented or replaced from time to time;
 - (ii) with respect to those assets located in the Province of Saskatchewan, means the licensee liability rating of a licensee calculated in accordance with section 117 of the Oil and Gas Conservation Regulations, 2012 (Saskatchewan) and the Saskatchewan Licensee Liability Rating (LLR) Program Guideline PNG025 dated November 2015 issued by the Saskatchewan Ministry of Economy, as the same may be amended, supplemented or replaced from time to time;
 - (iii) with respect to those assets located in the Province of British Columbia, the liability management rating of a licensee calculated in accordance with the rules and regulations of the British Columbia Oil & Gas Commission, as the same may be amended, supplemented or replaced from time to time; and
 - (iv) with respect to those assets located in any jurisdiction other than the Provinces of British Columbia, Alberta or Saskatchewan, as the case may be, the licensee liability rating (or applicable jurisdictional equivalent) of a licensee in such jurisdiction in compliance with all Environmental Laws.
- (gg) **“Material Adverse Change”** means any change, condition or event which, when considered individually or together with other changes, conditions, events or occurrences could reasonably be expected to have a Material Adverse Effect.
- (hh) **“Material Adverse Effect”** means any Material Adverse Change in or effect on (a) the business, assets, liabilities, financial condition, results of operations or prospects of the Obligor taken as a whole; (b) the ability of any Obligor to observe, perform or comply with its obligations under any of the Credit Documents; or (c) the rights and remedies of the Agent or the Lender under any of the Credit Documents.
- (ii) **“Material Change”** has the meaning defined in the Applicable Securities Laws.
- (jj) **“Material Subsidiary”** means, at any time, any direct or indirect wholly-owned Subsidiary of the Borrower whose total assets constitute more than 5% of the consolidated assets and whose total revenue (calculated on its preceding consecutive twelve month period)

constitutes more than 5% of the consolidated revenue of the Obligors for the then preceding consecutive twelve month period, or who has provided Security to the Agent and the Lender.

- (kk) “**Obligations**” means the obligations and liabilities relating to the Facilities, and other indebtedness, advances, debts, liabilities, obligations, covenants and duties owing by the Borrower to the Agent, the Lender or any other Person required to be indemnified, that arises under any Credit Document, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guaranty, indemnification or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired.
- (ll) “**Permitted Dispositions**” means, in respect of any Obligor:
- (i) sale or disposition of any PNG Assets resulting from any pooling or unitization or farmout entered into with an arm's length third party in the ordinary course of business and in accordance with sound industry practice when, in the reasonable judgment of such Obligor, it is necessary to do so in order to facilitate the orderly exploration, development or operation of such PNG Assets, provided that the economic interest of such Obligor in such PNG Asset resulting from any such pooling, unitization or farmout is not materially changed;
 - (ii) sale or disposition in the ordinary course of business and in accordance with sound industry practice of tangible personal property forming part of the Collateral that is obsolete or being replaced in the ordinary course of business;
 - (iii) sale or disposition of produced Hydrocarbons from PNG Assets in the ordinary course of business;
 - (iv) the sale or other disposition of any Collateral, rights or interests by an Obligor to another Obligor;
 - (v) the sale or other disposition of any immaterial intellectual property in the ordinary course of business (including allowing registrations or any applications of any immaterial intellectual property to lapse or go abandoned in the ordinary course of business), provided that such sale or other disposition would not reasonably be expected to have a Material Adverse Effect;
 - (vi) licensing of intellectual property in the ordinary course of business;
 - (vii) the disposition of any Collateral to the extent that (i) such Collateral is exchanged for credit against the purchase price of similar replacement Collateral that is promptly purchased or (ii) the proceeds of such disposition are promptly applied to the purchase price of such replacement Collateral;
 - (viii) any surrender, waiver, settlement, compromise, modification or release of contractual rights in the ordinary course of business, or in the settlement, release or surrender of tort or other claims of any kind;
 - (ix) the unwinding of any Hedging Agreement pursuant to its terms and provisions; and

- (x) the sale or other disposition of any Property of the Obligors pursuant to the Quebec Transaction.
- (mm) **“Permitted Encumbrances”** means any Encumbrance approved by the Agent including, without limitation, any Encumbrance listed on Schedule “B” hereto.
- (nn) **“Person”** has the meaning defined in the Provisions and **“person”** has the same meaning.
- (oo) **“PNG Assets”** means (a) Hydrocarbon Interests; (b) the Properties now or hereafter pooled or unitized with Hydrocarbon Interests; (c) all presently existing or future unitization, communitization, pooling agreements and declarations of pooled units and the units created thereby (including without limitation all units created under orders, regulations and rules of any Governmental Authority) which may affect all or any portion of the Hydrocarbon Interests; (d) all operating agreements, contracts and other agreements, including production sharing contracts and agreements, which relate to any of the Hydrocarbon Interests or the production, sale, purchase, exchange or processing of Hydrocarbons from or attributable to such Hydrocarbon Interests; (e) all Hydrocarbons in and under and which may be produced and saved or attributable to the Hydrocarbon Interests, including all oil in tanks, pipes or wherever else the same may be stored or in transit from time to time, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests; (f) all tenements, hereditaments, appurtenances and Properties in any manner appertaining, belonging, affixed or incidental to the Hydrocarbon Interests and (g) all Surface Rights and other Properties, rights, titles, interests and estates described or referred to above, including any and all Property, real or personal, now owned or hereafter acquired and situated upon, used, held for use or useful in connection with the operating, working or development of any of such Hydrocarbon Interests or Property (excluding drilling rigs, automotive equipment, rental equipment or other personal Property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) and including any and all wells, well pads, buildings, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, field gathering systems, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements and servitudes together with proceeds from and all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing.
- (pp) **“Prepayment Notice”** means a written notice in the form given to the Agent by the Borrower pursuant to the Prepayment provisions of this Agreement.
- (qq) **“Priority Payable”** means, at any time, any liability of any Obligor to any Person that ranks, or may rank, in right of payment in any circumstances, equal to or in priority to any liability of a Obligor to the Agent and the Lender, and may include any Environmental Claims, unpaid wages, salaries and commissions, unremitted source deductions for employment insurance premiums or Canada Pension Plan contributions, vacation pay, arrears of rent, unpaid taxes, withholding tax liabilities, goods and services taxes, all sales and consumption taxes, harmonized sales tax, customs duties, amounts owed in respect of workers’ compensation, amounts owed to unpaid vendors who have a right of repossession, and amounts owing to creditors which may claim priority by statute or under a purchase money security interest.

- (rr) “**Property**” shall mean any interest in any kind of property or asset, whether real, personal or mixed, tangible or intangible.
- (ss) “**Quebec Transaction**” means the sale by Cuda Oil and Gas Inc. of all wells, equipment, seismic, permits, licenses, and exploration, storage and production rights and interests in the Province of Quebec, including all rights and assets in connection with the Galt oil and gas project on the Gaspé Peninsula.
- (tt) “**Release**” means any release, seepage, spill, emission, leak, escape, pumping, injection, deposit, disposal, discharge, dispersal, leaching, dumping or migration into the environment including the movement of Hazardous Materials through ambient air, soil, surface water, ground water, wetlands or sub-surface strata.
- (uu) “**Sanctions**” means any sanctions or trade embargoes imposed, administered or enforced from time to time by any relevant sanctions authority including, without limitation, under the *United Nations Act* (Canada), the *Special Economic Measures Act* (Canada) and the *Export and Import Permits Act* (Canada).
- (vv) “**Security**” means all guarantees and security held from time to time by or on behalf of any of the Agent and the Lender (including guarantees and security held by the Agent), securing or intended to secure or support repayment of any of the Secured Obligations, including, without limitation, the security and guarantees described in this Agreement from time to time.
- (ww) “**Statutory Encumbrances**” means any Encumbrances arising by operation of Applicable Laws, including, without limitation, for carriers, warehousemen, repairers’, taxes, assessments, statutory obligations and government charges and levies for amounts not yet due and payable or which may be past due but which are being contested in good faith by appropriate proceedings (and as to which there are no other enforcement proceedings or they shall have been effectively stayed).
- (xx) “**Subsidiary**” or “**subsidiary**” means, with respect to a Person, a subsidiary of such Person as defined in the *Canada Business Corporations Act* (determined as if each such Person was a body corporate), and any other Person in which the Person or any Subsidiary of the Person has the right, directly or indirectly, through one or more intermediaries, to make or control management decisions.
- (yy) “**Surface Rights**” means all rights of the Obligors to use the surface of land in connection with the Hydrocarbon Interests, including the right to enter upon and occupy the surface of land on which the tangibles are located and rights to cross or otherwise use the surface of land for access to the Hydrocarbon Interests, including all access roads, together with all extensions, renewals, replacements, substitutions or amendments of or to any of the foregoing.
- (zz) “**Taxes**” means all present and future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable to them.
- (aaa) “**Wyoming Acquisition**” mean the acquisition by Cuda Energy LLC of the Wyoming Assets pursuant to the Wyoming Purchase Agreement.

- (bbb) “**Wyoming Assets**” means the Assets (as defined under the Wyoming Purchase Agreement) and the Additional Wyoming Assets.
- (ccc) “**Wyoming Purchase Agreement**” means the asset purchase and sale agreement between Atomic Oil & Gas LLC, as seller, and Cuda Energy LLC, as buyer.

Words importing the singular include the plural thereof and vice versa and words importing gender include the masculine, feminine and neuter genders.

SCHEDULE "B"

PERMITTED ENCUMBRANCES

Each of the following shall be considered a Permitted Encumbrance:

- (i) liens for taxes, assessments or governmental charges or levies which are not yet due, or for which instalments have been paid based on reasonable estimates pending final assessments, or the validity of which is being contested in good faith by appropriate proceedings and for which the Person has set aside adequate reserves in accordance with GAAP and which do not have, and will not reasonably be expected to have, a Material Adverse Effect;
- (ii) inchoate or statutory liens of contractors, subcontractors, workers, suppliers, material men, carriers and others in respect of construction, maintenance, repair or operation of assets of the Person, in respect of which (i) adequate holdbacks are being maintained as required by applicable law, and (ii) (x) which have not at such time been filed or exercised and of which the Lender has been given notice, or (y) which relate to obligations not due or payable or if due, the validity of which is being contested in good faith by appropriate proceedings and for which such Person has set aside adequate reserves in accordance with GAAP and which do not materially reduce the value of the affected asset or materially interfere with the use of such asset in the operation of the business of the Person;
- (iii) easements, rights of way, licences, servitudes, restrictions, restrictive covenants, and similar rights in real property comprised in the assets of the Person or interests therein (including in respect of sewers, drains, gas and water mains or electric light and power or telephone and telegraph conduits, poles, wires and cables) which do not materially reduce the value of the affected asset or materially interfere with the use of such asset in the operation of the business of the Person;
- (iv) in the case of real property, title defects or irregularities which are of a minor nature and which do not materially reduce the value of the affected asset or materially interfere with the use of such asset in the operation of the business of the Person and do not have, and will not reasonably be expected to have, a Material Adverse Effect;
- (v) the Encumbrance resulting from the deposit of cash or securities in connection with contracts, bids, trade contracts, statutory obligations, surety and appeal bonds, performance bonds, tenders or expropriation proceedings, or to secure workers' compensation, employment insurance, and other similar obligations, in each case in the ordinary course of business;
- (vi) the Encumbrance created by a judgment of a court of competent jurisdiction; provided, however, that the Encumbrance is in existence for less than 30 days after its creation or the execution or other enforcement of the Encumbrance is effectively stayed and the claims so secured are being actively contested in good faith and by proper legal proceedings and do not result in the occurrence of an Event of Default;
- (vii) the reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Crown of any real property or any interest therein which do not materially reduce the value of the affected asset or materially interfere with the use of such asset in the operation of the business of the Person;
- (viii) Encumbrances given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operation of the business or the ownership of the assets of the Person which do not materially reduce the value of

- the affected asset or materially interfere with the use of such asset in the operation of the business of the Person;
- (ix) servicing agreements, development agreements, site plan agreements, and other agreements with Governmental Authorities pertaining to the use or development of any real or immovable Property of the Person, provided same are complied with and do not materially reduce the value of the affected asset or materially interfere with the use of such asset in the operation of the business of the Person;
 - (x) the right reserved to or vested in any Governmental Authority by any statutory provision or by the terms of any lease, licence, franchise, grant or permit of the Person, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
 - (xi) Encumbrances in favour of the Agent created by the Security;
 - (xii) Purchase Money Encumbrances and Capital Leases provided that the aggregate principal amount (or fair market value of Property Encumbered if no principal amount is designated) of all Purchase Money Encumbrances and Capital Leases for all Obligors, does not exceed \$250,000.00 in aggregate for all Obligors at any time;
 - (xiii) liens created or arising in the ordinary course of the oil and gas business in respect of the joint operation of oil and gas properties and related production and processing facilities or arrangements for the processing, treating, transmission or transportation of Hydrocarbons, provided such liens are not in respect of obligations which are due or delinquent and do not materially reduce the value of the oil and gas properties affected by such liens;
 - (xiv) penalties arising in the ordinary course of business under non-participation or independent operations provisions of operating agreements as a consequence of an election not to participate in drilling or other operations;
 - (xv) the provisions of operating agreements, pooling agreements, unitization agreements and other similar arrangements entered into in the ordinary course of the oil and gas business which do not materially affect the value of the oil and gas properties which are subject thereto;
 - (xvi) royalties, net profits interests and similar encumbrances and rights to convert any of them to working interests which are created in the ordinary course of the oil and gas business; provided that if any of the foregoing relate to oil and gas properties, full disclosure thereof is made in any engineering reports required to be delivered to Lender from time to time in respect of such oil and gas properties;
 - (xvii) rights of first refusal and similar preferential rights created in the ordinary course of the oil and gas business; and
 - (xviii) other Encumbrances not referred to in the preceding clauses which have been expressly consented to in writing by the Agent with the consent of the Lender.

SCHEDULE "C"

FORM OF ENVIRONMENTAL CERTIFICATE

TO: BRIDGING FINANCE INC., as Agent

Re: Amended and Restated Letter Loan Agreement dated June 26, 2019 among Cuda Energy Inc., as borrower (the "**Borrower**"), Cuda Oil and Gas Inc., Cuda Energy LLC and Junex Inc., as guarantors, lenders parties thereto, as lenders, and Bridging Finance Inc., as agent for the lenders (the "**Agent**") (as amended, modified, supplemented, restated or replaced from time to time, is referred to as the "**Loan Agreement**").

This Environmental Certificate is given pursuant to covenant (ee)(i)(7) of the Loan Agreement. Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Loan Agreement.

- (a) I am the duly appointed [■] of the Borrower and hereby make the following certifications in such capacity for and on behalf of the Borrower and not in my personal capacity and without assuming any personal liability whatsoever.
- (b) The following certifications are made to the best of my knowledge after due enquiry. My due enquiry has been limited to discussions and correspondence with responsible officers and staff of the Obligors to confirm that the internal environmental reporting and response procedures of the Obligors have been followed in all material respects as they relate to the certifications made herein and that the matters herein set forth are true and correct in all material respects, and that matters reported on by such officers and staff are true and correct in all material respects.
- (c) The Obligors have each complied with all Environmental Laws, relating to its assets, business and operations except to the extent that the failure to do so would not in the aggregate have a Material Adverse Effect, and:
 - (i) each of the Obligors possess all environmental licences, permits and other Governmental Authorizations necessary to conduct its business including operations at its properties and facilities, other than such licences, permits and other Governmental Authorizations the absence of which would not in the aggregate have a Material Adverse Effect,
 - (ii) none of the Obligors have received any notices to the effect that the operations or the assets of the Obligors on their real property are: (i) not in full compliance with all Environmental Laws except to the extent that any failure to do so would not have, in the aggregate, a Material Adverse Effect or (ii) the subject of any federal or provincial remedial or control action or order, or any investigation or evaluation as to whether any remedial action is needed to respond to a release or threatened release of any Hazardous Materials into the Environment or any facility or structure, except to the extent any failure to comply would not have a Material Adverse Effect, and
 - (iii) none of the Obligors have received any notices or claims that it is or may be liable to any Person in any material amount (including any individual or government, whether federal, provincial, city or municipal) as a result of the Release or

threatened Release of any Hazardous Materials into the Environment or into any facility or structure nor have there been any Releases, spills or discharges of any Hazardous Materials into the Environment or into any facility or structure, which after lapse of time, would give rise to any Environmental Claims which would have a Material Adverse Effect nor has any Loan Party aware that there is any basis for any such Environmental Claims being commenced **[nor has any Obligor ever been convicted of any offence in respect of Environmental Claims.]**
[Except as described below:]

- (d) This Environmental Certificate is signed by the undersigned officer of Borrower in his capacity as an officer of Borrower without personal liability to the undersigned officer.

DATED this ____ day of _____, 20____

CUDA ENERGY INC.

Per: _____

Name:

Title:

SCHEDULE "D"

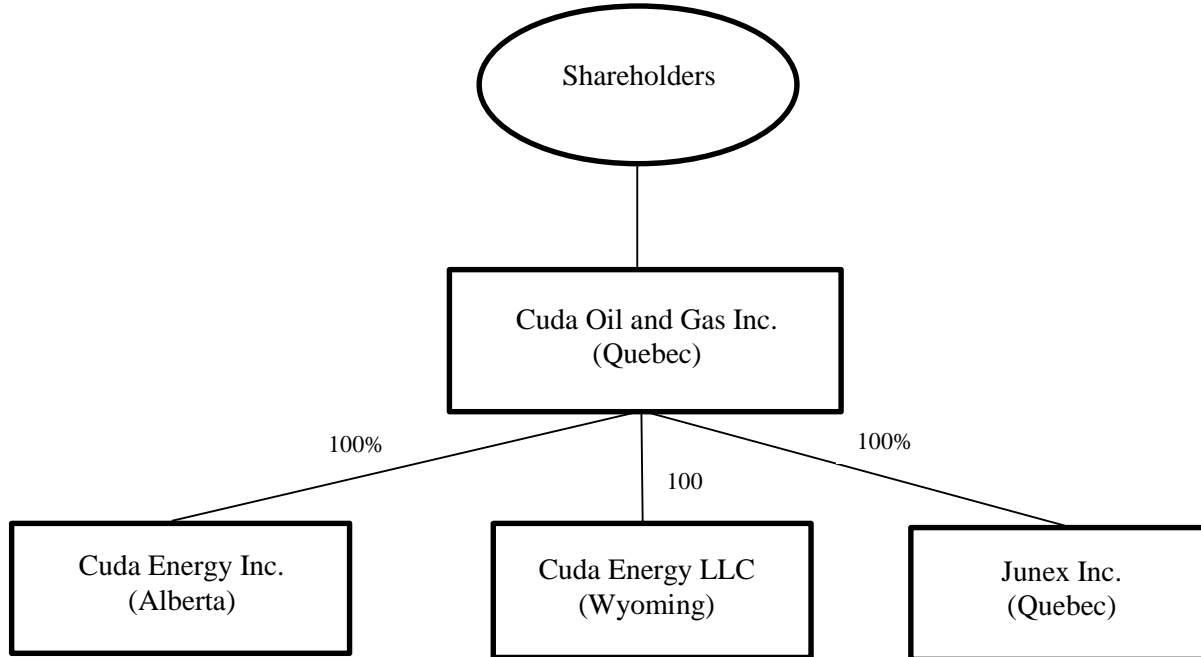
OPERATING AND DEPOSIT ACCOUNT OF OBLIGORS

[redacted]

SCHEDULE "E"
ALBERTA ASSETS

[redacted]

SCHEDULE "F"
ORGANIZATIONAL STRUCTURE



SCHEDULE "G"

DRAWDOWN NOTICE

TO: Bridging Finance Inc.
Suite 2925, 77 King Street West
P.O. Box 322
Toronto, Ontario
M5K 1K7

Attention: Robb Cacovic, Senior Managing Director
Email: rcacovic@bridgingfinance.ca

Dear Sirs:

Reference is made to the amended and restated letter loan agreement dated June 26, 2019 among Cuda Energy Inc., as borrower (the "**Borrower**"), Cuda Oil and Gas Inc., Cuda Energy LLC and Junex Inc., as guarantors, lenders parties thereto, as lenders, and Bridging Finance Inc., as agent for the lenders (as amended, modified, supplemented, restated or replaced from time to time, the "**Loan Agreement**"). All terms and expressions used herein but not otherwise defined shall have the same meanings herein as are ascribed thereto in the Loan Agreement.

The Borrower hereby requests the following drawdown under Facility 2 and pursuant to the provisions of the Loan Agreement:

- (a) Date: _____
- (b) Amount of Advance: _____
- (c) Special Instructions (if any): _____

- 1) The representations and warranties set forth in the Loan Agreement are true and correct on the date hereof.
- 2) No event that constitutes, or with notice or loss of time or both, would constitute an Event of Default shall have occurred and is continuing on the date hereof, or would result from the making of the advance.

DATED this _____ day of _____, 20__.

CUDA ENERGY INC.

Per: _____
Name:
Title:

SCHEDULE “H”

LEGAL OPINION

- (a) Cuda Oil and Gas Inc. (“**Cuda Oil**”) is a “reporting issuer”, or its equivalent, in Ontario and Quebec, and it is not listed as in default of Applicable Securities Laws;
- (b) Cuda Oil is a corporation duly incorporated and validly existing under the laws of the Province of Quebec, and has all requisite corporate power, capacity and authority to carry on its business as now conducted and to own, lease and operate its property and assets as described in the Agreement;
- (c) as to the authorized and issued capital of Cuda Oil;
- (d) the Lender Warrants have been duly created, authorized and issued by Cuda Oil and the Lender Shares issuable upon the exercise of the Lender Warrants have been duly created, allotted and reserved for issuance by Cuda Oil and, upon the exercise of the Lender Warrants, the Lender Shares will have been validly created, authorized and issued and will be outstanding as fully-paid and non-assessable shares in the capital of Cuda Oil;
- (e) Cuda Oil has all necessary corporate power and capacity: (i) to execute and deliver this Agreement and any certificate representing the Lender Warrants and to perform its obligations hereunder and thereunder; and (ii) to offer, issue, sell and deliver the to create and grant the Lender Warrants and issue and sell the Lender Shares issuable upon exercise of the Lender Warrants;
- (f) Cuda Oil has duly authorized, executed and delivered, this Agreement and any certificate representing the Lender Warrants and authorized the performance of its obligations hereunder and thereunder, including the creation and grant of the Lender Warrants, and the offering, issue, sale and delivery of the Lender Shares upon exercise of the Lender Warrants;
- (g) each of this Agreement and any certificate representing the Lender Warrants constitutes a legal, valid and binding obligation of Cuda Oil enforceable against Cuda Oil in accordance with its terms;
- (h) the execution and delivery of this Agreement and any certificate representing the Lender Warrants and the fulfillment of the terms hereof and thereof, the creation and grant of the Lender Warrants, the offering, issue, sale and delivery of the Lender Shares upon exercise of the Lender Warrants, and the consummation of the transactions contemplated by this Agreement, do not result in a breach of (whether after notice or lapse of time or both) or constitute a default under (i) any of the terms, conditions or provisions of the constating documents of Cuda Oil, (ii) resolutions of the shareholders or the board of directors (or any committee thereof) of Cuda Oil, (iii) the laws of the Provinces of Ontario and Quebec, and the federal laws of Canada applicable therein, or (iv) of which such counsel is aware, any judgment, order or decree of any Canadian federal, provincial or local government body, agency or court having jurisdiction over Cuda Oil;
- (i) the form and terms of the definitive certificate representing the Lender Shares have been approved by the directors of the Company and comply in all material respects with the *Business Corporations Act* (Quebec), the constating documents of the Company and the rules of the TSXV;
- (j) AST Trust Company is the duly appointed registrar and transfer agent for common shares of Cuda Oil;

- (k) as to the issuance of the Lender Warrants and Lender Shares being exempt from the prospectus requirements of Applicable Securities Laws;
- (l) as to the first trade of the Lender Warrants and Lender Shares; and
- (m) as to all other legal matters reasonably requested by Fasken Martineau DuMoulin LLP.

SCHEDULE "F"

FORM OF LENDER WARRANT CERTIFICATE

[redacted]