

Purchase and Sale Agreement
[name of area redacted] Area, Saskatchewan

This Agreement made March 26th, 2021.

BETWEEN:

[name of counterparty redacted], a body corporate, registered to carry on business in the Province of [name of jurisdiction of incorporation redacted] and having an office in [name of office jurisdiction of corporation redacted]

[name of counterparty redacted], a body corporate, registered to carry on business in the Province of [name of jurisdiction of incorporation redacted] and having an office in [name of office jurisdiction of corporation redacted]

(hereinafter collectively called the **"Vendor"**)

- and -

ROK RESOURCES INC., a body corporate, extra-provincially registered to carry on business in the Province of Saskatchewan and having an office in Regina, Saskatchewan (hereinafter called the **"Purchaser"**)

Whereas the Vendor wishes to sell and the Purchaser wishes to purchase the Assets, the Parties agree as follows in consideration of the premises hereto and the covenants and agreements hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged:

1. Incorporation of Property Transfer Procedure

This agreement is a Head Agreement, as defined in the 2000 CAPL Property Transfer Procedure (the **"Property Transfer Procedure"**), and the Parties agree that the complete transaction between them with respect to the sale of the Assets by the Vendor to the Purchaser is governed by the Property Transfer Procedure, as amended by the elections and amendments to the Property Transfer Procedure as set out in Schedule "A" attached hereto and by the provisions of this Head Agreement.

2. Definitions

Each capitalized term used in this Head Agreement will have the meaning given to it in the Property Transfer Procedure. In addition:

- (a) **"Closing Date"** means **April 30, 2021** or such other date as may be agreed upon by the Parties;
- (b) **"Effective Date"** means **April 1, 2021**;
- (c) **"Parties"** means the Vendor and the Purchaser, collectively, and **"Party"** means any one of them;

- (d) **"Purchase Price"** means the aggregate consideration payable by the Purchaser to the Vendor as set forth in Section 5; and
- (e) **"SMER"** means Saskatchewan Ministry of Energy and Resources and any predecessor thereof or successor thereto.

3. Schedules

The following Schedules are attached hereto and made part of this Agreement:

- (a) Schedule "A", which is a list of elections and amendments to the Property Transfer Procedure;
- (b) Schedule "B", which is the Land Schedule and identifies (i) the Lands, (ii) the Leases, (iii) any other agreements, documents or data that are to be excluded from the Miscellaneous Interests under that definition, (iv) any encumbrances, Rights of First Refusal, production sales agreements, or other agreements, penalties or other items required to be included in the Land Schedule under the definition of Permitted Encumbrances or the definition of Title and Operating Documents; (v) any Facilities required to be included in the Land Schedule under the definition of Facilities, any other Tangibles described in Paragraph (c) of the definition of Tangibles and any assets otherwise falling within the definition of Tangibles that are specifically excluded therefrom; and (vi) the Wells;
- (c) Schedule "C", which is a copy of the General Conveyance;
- (d) Schedule "D", which is the form of the Representations and Warranties Certificate.

Subject to the elections and amendments identified in Schedule "A", the Property Transfer Procedure is incorporated by reference into this Agreement.

4. Governing Law

The Parties agree this agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with and under the laws of the Province of Saskatchewan and applicable laws of Canada and shall, in all respects, be treated as a contract made in the Province of Saskatchewan. Each Party hereby irrevocably attorns and submits to the exclusive jurisdiction of the Courts of the Province of Saskatchewan and all courts of appeal therefrom in respect of all matters arising out of or in connection with this Head Agreement. All references to the "Province of Alberta" in the Property Transfer Procedure shall be deleted and replaced with the "Province of Saskatchewan" and Section 1.03(f) shall be amended to state "any reference to time means Central Standard Time."

5. Purchase and Sale

The Purchaser agrees to purchase the Assets from the Vendor and the Vendor agrees to sell the Assets to the Purchaser on the terms and conditions set forth in this Agreement. Subject to the modifications that may be made under the Property Transfer Procedure, the consideration payable by the Purchaser to the Vendor for the Assets is as follows:

- a) One Million Five Hundred Thousand CDN Dollars (\$1,500,000.00) (the **"Cash Consideration"**); and
- b) Two Million (2,000,000) Class "B" common shares in the capital of ROK Resources Inc. to be issued and delivered to the Vendor (the **"Equity Consideration"**), which the parties agree shall be at and for the

market value of the Class "B" common shares on the Closing Date,

and allocated among the Assets as follows:

- | | |
|--|---------------------------|
| a) To Tangibles | 20% less \$1.00 |
| b) To Miscellaneous Interests | \$1.00 |
| c) To Petroleum and Natural Gas Rights | Balance of Purchase Price |

6. Allocation of the Purchase Price Amongst the Vendor

[terms redacted]

7. Payment of the Purchase Price

The Purchase Price will be payable on the Closing Date as follows:

- (a) the Cash Consideration and the applicable GST will be paid by the Purchaser, or the Purchaser's counsel, as the case may be, to the Vendor by cheque or direct deposit in immediately available funds; and
- (b) the Equity Consideration will be delivered by way of the issuance of a share certificate from the treasury of the Purchaser to each Vendor in its respective proportion. The Parties hereby acknowledge that the Class "B" common shares in the capital of the Purchaser to be issued as the Equity Consideration will be subject to a four (4) month hold period as required by TSX Venture Exchange Inc. regulations.

8. Section 85 Election

The Parties hereto agree to jointly prepare and execute an election, the filing of which shall be in the ultimate discretion of each of the respective Vendor parties, pursuant to section 85(1) of the *Income Tax Act (Canada)* (and any corresponding provincial legislation), in the prescribed form and within the time referred to in subsection 85(6) of the *Income Tax Act (Canada)*, with respect to the transfer of the Assets by each Vendor to the Purchaser. For the purposes of such election, the Parties shall, subject to the limits set out in section 85, determine the agreed upon amount which shall be no less than the Cash Consideration but may be between (i) the Cash Consideration plus the fair market value of the shares in the capital stock of the Purchaser, and (ii) the cost amount (as defined in the *Income Tax Act (Canada)*) of the Assets to each Vendor at the date of the rollover.

If at any time hereafter for the purposes of administering the *Income Tax Act (Canada)* (or any corresponding provincial legislation) and determining the income tax consequences, if any, of this Agreement, it is determined by:

- a) a tribunal or court of competent jurisdiction from which no further appeal has been made;
- b) a governmental taxing authority and consented to by the Purchaser and the holder of the Equity Consideration; or
- c) agreement between the Purchaser and the holder of the Equity Consideration,

that the fair market value of the Assets or the fair market value of the Equity Consideration is, as at the Effective Date, different from the amounts herein specified in relation thereto, then and in such case this Agreement may be altered, as required, in order to ensure that the purchase price payable to the Vendor for the Assets and the amount and value of the consideration received by the Vendor in relation to the Assets, are, and are deemed to have been from and after the Effective Date, respectively, equal to the final determination of the fair market value of the Assets and all necessary adjustments will be made, which may include, without limitation, increasing or decreasing, as the case may be, in accordance with the articles of the Purchaser, the per share redemption amount of the Class B Shares in the capital of the Purchaser issued by the Purchaser to the Vendor in consideration for the Assets.

9. GST

The Parties agree that, if available, they will jointly prepare and execution an election under s.167(1) of the *Excise Tax Act (Canada)* with respect to GST. In the event that the Purchaser determines that such election is not available, the Vendor and the Purchaser agree that any applicable GST to be paid under this Agreement shall be remitted by the Purchaser to the Vendor at or shortly after closing. The Vendor will remit such GST to the applicable governmental authority in the manner and within the time constraints stipulated in the *Excise Tax Act (Canada)* and as further described in Alternate 1 of Clause 2.03 of the Property Transfer Procedure.

10. Permit Transfers

a) The Parties agree that forthwith following Closing, the Vendor will make all reasonable efforts to transfer the Wells and Facilities, including the entire working interest of the Vendor, to the Purchaser.

b) If SMER requires the Purchaser to make a deposit or furnish any other form of security in order to approve the transfer of the Wells or Facilities, the Purchaser shall immediately either (i) make such deposit; or (ii) furnish such other form of security as SMER requires.

c) If, following Closing:

- (i) The Vendor is unable to transfer the Wells and/or Facilities to the Purchaser due to objections from affected stakeholders during any required notification processes or any other reasons beyond the Purchaser's reasonable control; or
- (ii) The Purchaser does not furnish the deposit or security required pursuant to section (b) herein because it is greater than **\$500,000.00** and as a result the Wells and Facilities are not transferred; or
- (iii) SMER provides notice that it will not accept the transfer of the Wells and/or Facilities from the Vendor to the Purchaser (the "**SMER Notice**");

Then, within five (5) days of receipt of the SMER Notice or written confirmation of (i) or (ii) above provided to the other Party, the Purchaser will re-convey the Assets or the working interest of the Vendor in the Assets, as the case may be, to the Vendor and the Purchase Price will be returned to the Purchaser. The Parties shall treat the Agreement as null and void and the Parties will be released from all obligations under this Agreement, except for those under Article 16.00 of the Property Transfer Procedure, provided that the Purchaser's obligations under Article 16.00 will no longer be in effect 2 years following the date of such termination. The Purchaser will promptly return to the Vendor all materials delivered to it by the Vendor hereunder and all copies of them that may have been made by or for the Transferee.

11. Additional Representations and Warranties of the Purchaser

The Purchaser makes the following additional representations and warranties under Paragraph 6.03 of the Property Transfer Procedure:

- (a) Steel Reef Gas Purchase Agreement: The Purchaser is aware and understands all the terms and conditions of the Steel Reef Infrastructure Corp Gas Purchase Agreement, including but not limited to the Area of Dedication, the Term and the Fee Structure (as such terms are defined therein). On Closing, the Vendor shall assign to the Purchaser, and the Purchaser shall assume from the Vendor, all of the rights and obligations of the Vendor, accruing and arising under the Steel Reef Gas Purchase Agreement and the Purchaser agrees that upon assignment the Purchaser shall be bound by all terms and conditions of such Steel Reef Gas Purchase Agreement.

12. Additional Conditions

- A. The following additional conditions precedent are included for the benefit of the Purchaser under Paragraph 10.02(d) of the Property Transfer Procedure:
 - (a) Board Approval: The Purchaser shall have obtained approval of its Board of Directors to this transaction no later than **March 31, 2021**;
 - (b) No Action or Proceeding: No action or proceeding shall be pending or threatened by any person, company, firm, governmental authority, securities commission, regulatory body, or agency to enjoin or prohibit the purchase and sale of the Assets;
 - (c) TSX Venture Exchange: The Purchaser shall receive approval from the TSX Venture Exchange Inc. with respect to the issuance of the Equity Consideration; and
 - (d) Financing: The Purchaser will have completed appropriate financing for its acquisition of the Assets prior to **April 28, 2021**.
- B. The following additional condition precedent is included for the benefit of the Vendor under Paragraph 10.03(c):
 - (a) Board of Directors Approval: The Vendor shall have obtained approval of its Board of Directors to this transaction no later than **March 31, 2021**.

13. Execution in Counterpart and by Facsimile or Electronic Means

This Agreement may be executed in separate counterparts and when a counterpart has been executed and delivered by each Party all counterparts, when taken together, will constitute one agreement and will have the same force and effect as if all of the persons executing such counterparts had executed and delivered the same Agreement. A facsimile copy or an e-mail or other electronic copy of an executed document or of an executed counterpart in each case faxed or emailed to the facsimile number or e-mail address, respectively, set forth in Schedule "A" hereto will be acceptable as if it were an originally executed document or counterpart.

14. Securities Act Disclosure

At any time prior to Closing or in the two (2) year period following Closing, should the Purchaser require an audited operating statement with respect to the Assets pursuant to the Regulations including any disclosure requirements under securities' legislation, for a period during which the Assets were owned by the Vendor, then:

- a) The Vendor shall provide access during normal business hours to the records of the Vendor relevant to preparation of such an operating statement during such period;
- b) the audit shall be performed by the Vendor's auditor, or if such auditor is unable or unwilling to perform such audit, by a firm of independent auditors selected by the Vendor, and the Purchaser shall be responsible for all costs incurred in connection with the audit and the preparation of any statements or reports and the Vendor shall not be required to provide direct access to the Vendor's records to the Purchaser or its representatives; and
- c) if the auditor requires the assistance of the Vendor's personnel to find, collect or interpret the necessary information from the Vendor's records, the Vendor shall cause such assistance to be provided and the Purchaser shall pay reasonable hourly costs to the Vendor as compensation for the time devoted by such personnel.

Notwithstanding the generality of the foregoing, the Purchaser hereby acknowledges that:

- a) all information provided by the Vendor to the Purchaser pursuant to this Clause is provided on the express condition that the Vendor and its representatives assume no liability, whatsoever, to the Purchaser or any other person in respect of such information, or the accuracy or sufficiency thereof or in connection with any claim in respect of such information; and
- b) the Vendor and its representatives make no representation or warranty regarding such information and expressly disclaim any implied or constructive representation or warranty.

In witness whereof the Parties have duly executed this Agreement.

[name of counterparty redacted]

ROK RESOURCES INC.

[officer of counterparty redacted]
Chief Executive Officer

Jared Lukomski
Sr. Vice President, Land & Business Development

[name of counterparty redacted]

[officer of counterparty redacted]
President

SCHEDULE "A"

Attached to and made part of a Purchase and Sale Agreement dated March 26, 2021 between [name of
counterparty redacted], and ROK Resources Inc.

PROPERTY TRANSFER PROCEDURE ELECTIONS AND AMENDMENTS

1. GST (Subclause 2.03A): (i) GST Election: Alternate 2
(ii) GST Business#: [name of party and GST # redacted]
[name of party and GST # redacted]
ROK Resources Inc.: [GST # redacted]
2. Interest Accrual (Clause 2.04): Alternate _____ / Neither Alternate 1 nor 2 X apply.
3. Place Of Closing (Clause 3.01): Office of: VIA Courier
4. Access To Transferee's Files (Subclause 3.04B): 12 months.
5. Distribution Of Specific Conveyances (Clause 3.05): Alternate 1.
6. Final Statement Of Adjustments (Paragraph 4.02A(b)): 120 day period.
7. Treatment Of Income During Interim Period (Clause 4.03): Alternate 2
Income Tax Adjustment if Alternate 1 applies: N/A %
Exception to 4.03A if Alt. 1 applies (Subclause 4.03B): will N/A / will not N/A apply
8. Transferor's Representations And Warranties (Clause 6.02). Those representations and warranties in that Clause that apply are indicated by a Y below.

Y	(a) Residency For Tax Purposes	Y	(m) Abandonment Of Wells
Y	(b) Lawsuits And Claims	Y	(n) Condition of Tangibles
Y	(c) No Default Notices	-	(o) Well/Tangibles Lic. Transfers
Y	(d) Compliance With Leases	Y	(p) Reg. Production Penalties
Y	(e) Payment Of Royalties	Y	(q) Reg. Production Allowables
Y	(f) Encumbrances	Y	(r) Area Of Mutual Interest
Y	(g) No Reduction	Y	(s) No Offset Obligations
Y	(h) Sale Agreements	Y	(t) Commitment To Deliver
Y	(i) Provision Of Documents	-	(u) ARTC
Y	(j) Authorized Expenditures	Y	(v) Quiet Enjoyment
Y	(k) Environmental Matters	Y	(w) Additional Representations: Below
Y	(l) Condition of Wells		

:

Paragraph 6.02(w):

- A. Inactive Assets: Except as identified in a Schedule, to the Vendor's knowledge with respect to Assets operated by it, the Assets do not include any inactive well or inactive facility as described in the Regulations issued under *The Oil And Gas Conservation Act* (Saskatchewan)

9. Survival Of Representations And Warranties (Clause 6.04): 12 months.
10. Option To Terminate Re ROFR Exercises (Subclause 7.01 D): will ☒ / will not ☐ apply.

11. Delivery Of Title Defects Notice (Subclause 8.02A): 15 Business Days.
12. Title Defects Mechanism (Subclause 8.02B): Alternate: 2 (i) \$100,000.00, (ii) 10% in (c), and 10% in (d)
13. Responsibility Of Transferor (Clause 13.01): (i): Subclause 13.01A: Alternate 1
(ii): Subclause 13.01B: 12 months
14. Limit On Transferor's Responsibility (Clause 13.03A): will ☒ / will not ☐ apply
15. Minimum Claim Threshold (Subclause 13.03B): will ☒ / will not ☐ apply.
\$ Threshold if Subclause B applies: \$100,000.00
16. Addresses For Service (Clause 15.02):

[contact particulars of counterparty redacted]

Attention: President and CEO

ROK Resources Inc.

200 – 1965 Broad Street

Regina, SK S4P 1Y1

Attention: Vice President, Land

[contact particulars of counterparty redacted]

Attention: President and CEO

SCHEDULE "B"

Attached to and made part of a Purchase and Sale Agreement dated March 26, 2021 between [name of counterparty redacted], and ROK Resources Inc.

[schedule redacted]

SCHEDULE "C"

Attached to and made part of a Purchase and Sale Agreement dated March 26, 2021 between [name of counterparty redacted], and ROK Resources Inc.

[schedule redacted]

SCHEDULE "D"

Attached to and made part of a Purchase and Sale Agreement dated March 26, 2021 between [name of counterparty redacted], and ROK Resources Inc.

[schedule redacted]