

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Corporation (as defined herein) at Suite 1250, 645 – 7th Avenue S.W., Calgary, Alberta, T2P 4G8, telephone (587) 794-4726, and are also available electronically at www.sedar.com.

These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “1933 Act”), or any state securities laws. Accordingly, these securities may not be offered, sold or delivered to, or for the account or benefit of, persons in the “United States” or “U.S. Persons” (as such terms are defined in Regulation S under the 1933 Act) except in accordance with the Agency Agreement (as defined herein) and pursuant to an exemption from the registration requirements of the 1933 Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities to, or for the account or benefit of, persons in the United States or U.S. Persons. See “Plan of Distribution”.

SHORT FORM PROSPECTUS

New Issue

May 4, 2017



RAZOR ENERGY CORP.

Minimum of \$10,000,000 (3,333,333 Subscription Receipts)

Maximum of up to \$15,000,000 (5,000,000 Subscription Receipts)

each Subscription Receipt representing the right to receive one Common Share and one-half of one Warrant

\$3.00 per Subscription Receipt

This short form prospectus qualifies the distribution (the “**Offering**”) of a minimum (the “**Minimum Offering**”) of 3,333,333 subscription receipts (the “**Subscription Receipts**”) of Razor Energy Corp. (“**Razor**” or the “**Corporation**”) at a price of \$3.00 per Subscription Receipt (the “**Offering Price**”) and a maximum (the “**Maximum Offering**”) of up to 5,000,000 Subscription Receipts at the Offering Price for aggregate gross proceeds of up to \$15,000,000. Each Subscription Receipt will entitle the holder thereof to receive, without payment of additional consideration or any further action on the part of the holder thereof, one common share (“**Common Share**”) in the capital of the Corporation (“**Underlying Share**”) and one-half of one Common Share purchase warrant (“**Warrant**”) upon satisfaction of the Escrow Release Conditions and release of the Escrowed Funds in connection with the closing of the Acquisition (as such terms are defined herein). Each whole Warrant will entitle the holder thereof to acquire, subject to adjustment in accordance with the Warrant Indenture (as defined herein), one Common Share (a “**Warrant Share**”) at an exercise price of \$3.50 per Warrant Share at any time prior to 5:00 p.m. (Calgary time) on the date that is 12 months following the closing date of the Acquisition. The Warrants will be governed by a warrant indenture (the “**Warrant Indenture**”) to be entered into on or before the time the Escrow Release Conditions are satisfied and the Escrow Release Notice has been delivered in accordance with the provisions of the Subscription Receipt Agreement between the Corporation and Alliance Trust Company, as warrant agent (the “**Warrant Agent**”). The Subscription Receipts, the Underlying Shares, the Warrants and the Warrant Shares are collectively referred to herein as the “**Securities**”. See “*Details of the Offering*” and “*Canadian Federal Income Tax Considerations*”.

On April 19, 2017, Razor entered into an agreement (the “**Acquisition Agreement**”) with an arm’s length vendor (the “**Vendor**”) to acquire strategic assets in the Kaybob area of Alberta (the “**Kaybob Assets**”) for cash consideration of

approximately \$9.6 million, subject to customary adjustments (the “**Acquisition**”). The Kaybob Assets include approximately 760 boe/d of production (approximately 73% light oil and liquids) and 33,542 net acres of land. Closing of the Acquisition is expected to occur on or around May 24, 2017 with an effective date of January 1, 2017. For more details regarding the Acquisition, see “*Recent Developments – Overview of the Acquisition*”.

The gross proceeds from the sale of the Subscription Receipts (collectively, the “**Escrowed Funds**”) will be held by the Escrow Agent (as defined herein), and may be invested in short-term obligations of, or guaranteed by, the Government of Canada (or other approved investments determined in accordance with the terms of the Subscription Receipt Agreement (as defined herein)) pending satisfaction of the Escrow Release Conditions. Upon satisfaction of the Escrow Release Conditions on or before 5:00 p.m. (Calgary time) on June 30, 2017 (the “**Deadline**”), the Escrowed Funds and the interest earned thereon, if any (less the remaining portion of the Agency Fee (as defined herein), including the interest earned thereon, if any) will be released to the Corporation upon receipt of a notice by the Escrow Agent from the Corporation and Haywood (as defined herein) that the Escrow Release Conditions have been satisfied, and each holder of Subscription Receipts will receive one Underlying Share and one-half of one Warrant for each Subscription Receipt held, without payment of additional consideration or any further action on the part of such holder. See “*Details of the Offering*”.

Razor will utilize the Escrowed Funds to pay the purchase price for the Acquisition and intends to utilize remaining funds, if any, for Razor’s capital program, including funding short term exploration and development costs and other expenses in respect of the Kaybob Assets. If: (i) the Acquisition is not completed by the Deadline; (ii) the Acquisition Agreement is terminated at any earlier time; or (iii) the Corporation has advised Haywood or the Corporation announces to the public that it does not intend to proceed with the Acquisition (the earliest time of occurrence of any such event being the “**Termination Time**”), holders of Subscription Receipts shall receive an amount equal to the full subscription price attributable to the Subscription Receipts and their *pro rata* entitlement to interest or other income earned on such amount from the Closing Date (as defined herein) up to and including the Termination Time, if any. In the event that the Acquisition closes concurrently with the closing of the Over-Allotment Option (as defined herein), the Corporation will issue Underlying Shares and Warrants, rather than Subscription Receipts, under the Over-Allotment Option. See “*Details of the Offering*”.

The issued and outstanding Common Shares are listed and posted for trading on the TSX Venture Exchange (the “**TSXV**”) under the symbol “RZE”. On April 18, 2017 and May 3, 2017, the last trading day before the public announcement of the Offering and the date of this short form prospectus, respectively, the closing price of the Common Shares on the TSXV was \$3.32 and \$3.45, respectively. The TSXV has conditionally approved the listing of: (i) the Subscription Receipts; (ii) the Underlying Shares issuable pursuant to the Subscription Receipts; and (ii) the Warrant Shares issuable on exercise of the Warrants. Such listing is subject to the Corporation fulfilling all of the listing requirements of the TSXV.

	Offering price to the Public	Agency Fee⁽¹⁾	Net Proceeds to the Corporation⁽¹⁾⁽²⁾
Per Subscription Receipt	\$3.00	\$0.18	\$2.82
Minimum Offering	\$10,000,000	\$600,000	\$9,400,000
Maximum Offering ⁽³⁾	\$15,000,000	\$900,000	\$14,100,000

Notes:

1. The Corporation has agreed to pay the Agents (as defined herein) a fee in an amount equal to 6.0% of the gross proceeds of the Offering (the “**Agency Fee**”). The Agency Fee is payable as to 50% upon the closing of the Offering on the Closing Date from the Corporation’s general funds and 50% upon the release to the Corporation of the Escrowed Funds. If the Termination Time occurs, then the Agency Fee will be limited to the 50% paid upon closing of the Offering. Numbers may not add due to rounding. See “*Details of the Offering*” and “*Plan of Distribution*”.
2. Excluding interest accrued, if any, on the Escrowed Funds and before deducting expenses of the Offering estimated to be \$725,000 (exclusive of GST), which will be paid out of the Corporation’s general funds.

3. The Corporation has granted to the Agents the option (the “**Over-Allotment Option**”) to purchase up to an additional 750,000 Subscription Receipts, representing 15% of the Offering, at the discretion of the Agents at a price equal to \$3.00 per Subscription Receipt, on the same terms and conditions as the Offering. The Over-Allotment Option is exercisable, in whole or in part, at any time up to 30 days following the Closing Date to cover over-allotments, if any. If the Agents exercise the Over-Allotment Option in full, the total offering price to the public, the Agency Fee and net proceeds to the Corporation (before deducting expenses of the Offering) will be approximately \$17,250,000, \$1,035,000 and \$16,215,000, respectively. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of any Subscription Receipts (or Underlying Shares and Warrants, as applicable) issued pursuant to the exercise of the Over-Allotment Option. A purchaser who acquires Subscription Receipts (or Underlying Shares and Warrants, as applicable) forming part of the Agents’ over-allocation position acquires those Subscription Receipts (or Underlying Shares and Warrants, as applicable) under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases of Subscription Receipts, Common Shares or Warrants, as applicable. Unless the context otherwise requires, references herein to the “Offering”, the “Subscription Receipts”, the “Underlying Shares” and the “Warrants” include the Subscription Receipts (and Underlying Shares and Warrants, as applicable) issuable pursuant to the exercise of the Over-Allotment Option. See “*Plan of Distribution*”.

<u>Agents’ Position</u>	<u>Maximum size or number of securities held</u>	<u>Exercise period</u>	<u>Exercise price</u>
Over-Allotment Option	750,000 Subscription Receipts	At any time until 30 days following the Closing Date	\$3.00 per Subscription Receipt

The Subscription Receipts (or Underlying Shares and Warrants, as applicable) will be offered for sale on a commercially reasonable efforts basis in accordance with the agency agreement (the “**Agency Agreement**”) to be dated effective as of April 19, 2017, among the Corporation and the Agents (as defined herein) referred to under “*Plan of Distribution*” and subject to approval of certain legal matters relating to the qualification for distribution of the Subscription Receipts on behalf of the Corporation by McCarthy Tétrault LLP, and on behalf of the Agents by Burstall Winger Zammit LLP.

There is currently no market through which the Subscription Receipts or the Warrants may be sold and purchasers may not be able to resell Subscription Receipts or the Warrants purchased under this short form prospectus. This may affect the pricing of the Subscription Receipts and the Warrants in the secondary market, the transparency and availability of trading prices and the liquidity of the Subscription Receipts and the Warrants and the extent of issuer regulation. See “*Risk Factors*”.

The terms of the Offering, including the Offering Price, were determined by negotiation between the Corporation and Haywood Securities Inc. (“**Haywood**”) and Jett Capital Advisors, LLC (“**Jett**”, and together with Haywood, the “**Co-Lead Agents**”) on their own behalf and on behalf of Canaccord Genuity Corp. (“**Canaccord**”), Eight Capital, National Bank Financial Inc., Acumen Capital Finance Partners Limited and Macquarie Capital Markets Canada Ltd. (collectively and together with the Co-Lead Agents, the “**Agents**”). See “*Plan of Distribution*”.

Haywood, Jett, Canaccord and Eight Capital have acted as advisers to the Corporation in connection with the Acquisition and will receive a fee upon the closing of the Acquisition. Consequently, the Corporation may be considered a “connected issuer” of Haywood, Jett, Canaccord and Eight Capital within the meaning of applicable Canadian securities laws. See “*Relationship between the Corporation and Certain of the Agents*”.

Subject to, among other things, the completion of the Minimum Offering, subscriptions for the Subscription Receipts (or Underlying Shares and Warrants, as applicable) issuable hereunder will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that Closing will occur on or about May 11, 2017, or such other date as the Corporation and Haywood, on its own behalf and on behalf of the other Agents, may agree, but in any event no later than June 30, 2017 (the “**Closing Date**”).

Until such time as the closing of the Offering has occurred, all subscription funds received by the Agents will be held in trust, pending the closing of the Offering. If the Minimum Offering has not been subscribed for within the distribution period of the Offered Shares, the Agents shall promptly return the subscription funds to the subscribers

without interest or deduction. **In the event of completion of the Minimum Offering only, the net proceeds of the Offering will be used exclusively to pay a portion of the purchase price of the Acquisition.** See “*Use of Proceeds*”.

Except in certain limited circumstances, including with respect to certain Subscription Receipts (or certain Underlying Shares, Warrants and Warrant Shares, as applicable) issued pursuant to Regulation D under the 1933 Act, which shall be represented by a definitive, fully registered certificate bearing a legend with respect to certain matters under the 1933 Act: (i) the Subscription Receipts (or Underlying Shares and Warrants, as applicable) will be registered and represented electronically through the non-certificated inventory (“**NCI**”) system of CDS (as defined herein) in “book based” form; (ii) no certificates evidencing the Subscription Receipts (or Underlying Shares and Warrants, as applicable) will be issued to purchasers of Subscription Receipts unless specifically requested; and (iii) purchasers of Subscription Receipts will receive only a customer confirmation from the Agent or other registered dealer who is a CDS depository participant (“**Participant**”) and from or through whom a beneficial interest in the Subscription Receipt is purchased.

Subject to applicable laws, the Agents may, in connection with the Offering, effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail on the open market in accordance with applicable stabilization rules. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”.

An investment in the Subscription Receipts, the Underlying Shares and Warrants issuable pursuant to the Subscription Receipts and the Warrants Shares issuable on the exercise of the Warrants is subject to certain risks inherent in the Corporation’s involvement in the exploration for, and the acquisition, development and production of, crude oil and natural gas reserves. The risk factors identified under the headings “*Risk Factors*” and “*Special Note Regarding Forward-Looking Statements*” in this short form prospectus, under the heading “*Risk Factors*” in the AIF (as defined herein), and under the heading “*Disclosure Regarding Forward-Looking Statements*” in the Annual MD&A (as defined herein), should be carefully reviewed and evaluated by prospective subscribers before purchasing the securities being offered hereunder.

The Subscription Receipts (or Underlying Shares and Warrants, as applicable) may be sold only in those jurisdictions where offers and sales are permitted. This short form prospectus is not an offer to sell or a solicitation of an offer to buy the Securities in any jurisdiction where it is unlawful. Investors should rely only on the information contained in this short form prospectus and the documents incorporated herein by reference. The Corporation has not authorized anyone to provide investors with different information. The Corporation is not offering the Subscription Receipts (or Underlying Shares and Warrants, as applicable) in any jurisdiction in which the Offering is not permitted. Investors should not assume that the information contained in this short form prospectus is accurate as of any date other than the date of this short form prospectus. Subject to the Corporation’s obligations under applicable Canadian securities laws, the information contained in this short form prospectus is accurate only as of the date of this short form prospectus regardless of the time of delivery of this short form prospectus or of any sale of the Subscription Receipts.

The Corporation’s head office is located at Suite 1250, 645 – 7th Avenue S.W., Calgary, Alberta, T2P 4G8, and the registered office is located at Suite 4000, 421 – 7th Avenue S.W., Calgary, Alberta, T2P 4K9.

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SELECTED DEFINITIONS

In this short form prospectus, the following terms have the meanings set forth below.

“**1933 Act**” has the meaning ascribed thereto on the cover page of this short form prospectus.

“**ABCA**” means the *Business Corporations Act* (Alberta).

“**Acquisition**” means the proposed acquisition of the Kaybob Assets by the Corporation from the Vendor pursuant to the Acquisition Agreement.

“**Acquisition Agreement**” means the purchase and sale agreement between the Corporation and the Vendor dated April 19, 2017.

“**Action**” has the meaning ascribed thereto in “*Risk Factors – Legal Proceedings*”.

“**Agents**” means, collectively, the Co-Lead Agents, Canaccord Genuity Corp., Eight Capital, National Bank Financial Inc., Acumen Capital Finance Partners Limited and Macquarie Capital Markets Canada Ltd.

“**Agency Agreement**” means the agency agreement to be entered into between the Corporation and the Agents in connection with the Offering.

“**Agency Fee**” has the meaning ascribed thereto on the cover page of this short form prospectus.

“**AIF**” means the amended annual information form of the Corporation dated May 3, 2017.

“**AIMCo**” means Her Majesty the Queen in Right of Alberta by its agent, Alberta Investment Management Corporation.

“**Annual MD&A**” means the management’s discussion and analysis of the financial condition and operating results of the Corporation for the year ended December 31, 2016.

“**Arrangement**” means the plan of arrangement completed effective as of January 31, 2017, among the Corporation, Razor PrivateCo and the shareholders of Razor PrivateCo pursuant to which Vector Resources Inc. (being the name of the Corporation prior to the Arrangement) acquired all of the issued and outstanding shares of Razor PrivateCo and changed its name to “Razor Energy Corp.”

“**Beneficial Owner**” has the meaning ascribed thereto under “*Details of the Offering – Book-Based System*”.

“**Board**” means the board of directors of the Corporation as it may be comprised from time to time.

“**Canaccord**” means Canaccord Genuity Corp.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**Certificates**” has the meaning ascribed thereto under the heading “*Details of the Offering – Book-Based System*”.

“**Closing**” means the closing of the Offering.

“**Closing Date**” means the date of closing of the Offering which is expected to be May 4, 2017, or on such later date as the Corporation and Haywood, on its own behalf and on behalf of the other Agents, may agree upon in writing, acting reasonably, but, in any event, such date shall be no later than June 30, 2017.

“**COGE Handbook**” means the Canadian Oil and Gas Evaluation Handbook.

“**Co-Lead Agents**” means Haywood and Jett.

“**Common Shares**” means the common shares of the Corporation.

“**Corporation**” or “**Razor**” has the meaning ascribed thereto on the cover page of this short form prospectus.

“**Counsel**” has the meaning ascribed thereto under “*Canadian Federal Income Tax Considerations*”.

“**CRA**” means the Canadian Revenue Agency.

“**CSA 51-324**” means Staff Notice 51-324 (Revised) – *Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators*.

“**Deadline**” has the meaning ascribed thereto on the cover page of this short form prospectus.

“**Deposit**” has the meaning ascribed thereto under the heading “*The Acquisition – General*”.

“**Escrow Agent**” means Alliance Trust Company, which is an Acceptable Institution under the guidelines of the Investment Industry Regulatory Organization of Canada and the Canadian Investor Protection Fund, in its capacity as escrow agent pursuant to the Subscription Receipt Agreement.

“**Escrowed Funds**” has the meaning ascribed thereto on the cover page of this short form prospectus.

“**Escrow Release Conditions**” has the meaning ascribed thereto under “*Details of the Offering – Subscription Receipts*”.

“**Haywood**” means Haywood Securities Inc.

“**Holder**” has the meaning ascribed thereto under “*Canadian Federal Income Tax Considerations*”.

“**IFRS**” means International Financial Reporting Standards issued by the International Accounting Standards Board for publicly accountable enterprises, or such other generally accepted accounting principles and practices applied in Canada from time to time.

“**Information Circular**” means the management information circular of the Corporation dated January 5, 2017 with respect to the special meeting of the shareholders of the Corporation held on January 30, 2017.

“**Jett**” means Jett Capital Advisors, LLC.

“**Kaybob Assets**” means the petroleum and natural gas properties, interests, rights and related assets located in the Kaybob area, Alberta to be acquired by the Corporation from the Vendor pursuant to the terms of the Acquisition Agreement.

“**Kaybob Assets Reserves Report**” means the independent engineering evaluation of the crude oil, natural gas liquids and natural gas reserves attributable to the Kaybob Assets prepared by Sproule prepared on February 22, 2017 and effective December 31, 2016.

“**NCI**” has the meaning ascribed thereto on the cover page of this short form prospectus.

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements* of the Canadian Securities Administrators, as amended or replaced from time to time.

“**NI 44-101**” means National Instrument 44-101 – *Short Form Prospectus Distributions* of the Canadian Securities Administrators, as amended or replaced from time to time.

“**NI 51-101**” means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators, as amended or replaced from time to time.

“**Non-Resident Holder**” has the meaning ascribed thereto under “*Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*”.

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**Offering**” means the distribution of a minimum of 3,333,333 Subscription Receipts at the Offering Price for aggregate gross proceeds of at least \$10,000,000 and a maximum of 5,000,000 Subscription Receipts (5,750,000 Subscription Receipts if the Over-Allotment Option is exercised in full) at the Offering Price for aggregate gross proceeds of up to \$15,000,000 (\$17,250,000 if the Over-Allotment Option is exercised in full).

“**Offering Price**” means \$3.00 per Subscription Receipt.

“**Option Plan**” means the Corporation’s existing stock option plan.

“**Options**” means options to purchase Common Shares granted by the Board in accordance with the Option Plan.

“**Over-Allotment Option**” means the option granted by the Corporation to the Agents to purchase up to an additional 750,000 Subscription Receipts, representing 15% of the Offering, at the discretion of the Agents at a price equal to \$3.00 per Subscription Receipt, on the same terms and conditions of the Offering.

“**Participant**” has the meaning ascribed thereto on the cover page of this short form prospectus.

“**Plan**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*”.

“**Razor PrivateCo**” means Razor Energy Corp., a private company incorporated under the ABCA on June 14, 2016, and which amalgamated with the Corporation following completion of the Arrangement.

“**relevant persons**” has the meaning ascribed thereto on the cover page of this short form prospectus.

“**RDSP**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*”.

“**Resident Holder**” has the meaning ascribed thereto under “*Canadian Federal Income Tax Considerations – Holders Resident in Canada*”.

“**RESP**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*”.

“**ROFR**” means a right of first refusal.

“**ROFR Properties**” means those portions of the Kaybob Assets held by the Vendor subject to ROFRs described in more detail under “*The Acquisition*”.

“**RRIF**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*”.

“**RRSP**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*”.

“**Rule 144A**” has the meaning ascribed thereto under “*Plan of Distribution*”.

“**Securities**” means, collectively, the Subscription Receipts, the Underlying Shares, the Warrants and the Warrant Shares.

“**Sproule**” means Sproule Associates Limited.

“**Subscription Receipt Agreement**” means the subscription receipt agreement to be dated the Closing Date among the Corporation, Haywood and the Escrow Agent governing the terms of the Subscription Receipts.

“**Subscription Receipts**” means the subscription receipts offered under this short form prospectus and, for greater certainty, includes the Subscription Receipts issuable pursuant to the Over-Allotment Option.

“**Swan Hills Acquisition**” means the acquisition by the Corporation on January 31, 2017 of certain assets located in the Swan Hills region of Alberta for total cash consideration of \$15 million, subject to customary adjustments.

“**Swan Hills Assets**” means the oil and gas assets acquired by the Corporation pursuant to the Swan Hills Acquisition.

“**Tax Act**” means the Income Tax Act (Canada), as amended, including the regulations promulgated thereunder.

“**Term Loan Facility**” has the meaning ascribed thereto under “*Recent Developments – Qualifying Transaction and Recapitalization*”.

“**Termination Time**” has the meaning ascribed thereto on the cover page of this short form prospectus.

“**TFSA**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*”.

“**TSXV**” has the meaning ascribed thereto on the cover page of this short form prospectus.

“**Underlying Shares**” means the Common Shares to be issued pursuant to the conversion of the Subscription Receipts.

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“**U.S. Person**” means a “U.S. person” as such term is defined in Regulation S under the 1933 Act.

“**Vendor**” means the vendor of the Kaybob Assets.

“**Warrant Indenture**” means the warrant indenture between the Corporation and the Warrant Agent governing the Warrants to be entered into on or before the time the Escrow Release Conditions are satisfied and the Escrow Release Notice has been delivered in accordance with the provisions of the Subscription Receipt Agreement.

“**Warrant Share**” has the meaning ascribed thereto on the cover page of this short form prospectus.

“**Warrants**” means the Common Share purchase warrants of the Corporation to be issued pursuant to the conversion of the Subscription Receipts.

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

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this short form prospectus, and in certain documents incorporated by reference into this short form prospectus, constitute forward looking statements. All forward-looking statements are based on the

Corporation's belief and assumptions based on information available at the time the assumption was made. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements. The Corporation believes the expectations reflected in those forward looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward looking statements included in, or incorporated by reference into, this short form prospectus should not be unduly relied upon.

In particular, this short form prospectus and the documents incorporated by reference herein contain forward looking statements pertaining to, but not limited to, the following:

- the Offering, including the use of proceeds from the Offering;
- the anticipated Closing Date;
- completion of the Offering and the Acquisition, and the timing thereof;
- the listing on the TSXV of the Subscription Receipts, the Underlying Shares issuable pursuant to the Subscription Receipts and the Warrant Shares issuable on exercise of the Warrant Shares including any of the foregoing issued pursuant to the exercise of the Over-Allotment Option;
- the anticipated benefits of the Acquisition, including the impact of the Acquisition on the Corporation's operations, reserves, inventory and opportunities, financial condition, access to capital and overall strategy;
- expectations with respect to production, funds flow, cash netbacks, decline rates, development capital and free funds flow relating to the Kaybob Assets;
- expectations with respect to Razor's future funds flow operating netbacks and other financial results following completion of the Acquisition;
- capacity of infrastructure;
- anticipated operational results for 2017 including, but not limited to, estimated or anticipated production levels, net debt, capital expenditures, drilling plans and other information discussed under "*The Acquisition*" in this short form prospectus;
- reserve life indexes;
- the performance characteristics of the Corporation's oil and natural gas properties and of the oil and natural gas properties comprising part of the Kaybob Assets;
- the estimated quantity of the Corporation's oil and natural gas reserves and anticipated future cash flows from such reserves;
- the estimated quantity of the oil and gas reserves associated with the Kaybob Assets and anticipated future cash flows from such reserves;
- the amount of closing adjustments to the purchase price of the Kaybob Assets;
- the source of funding for the Corporation's activities including development costs;
- projections of commodity prices and costs;
- supply and demand for oil and natural gas;
- expectations regarding the Corporation's ability to raise capital and to continually add to reserves through acquisitions and development;
- treatment under governmental regulatory regimes and tax laws;
- expected production rates;
- fluctuations in depletion, depreciation, and accretion rates;
- expected changes in regulatory regimes in respect of royalty curves and regulatory improvements and the effects of such changes; and

- Razor’s business and acquisition strategy, the criteria to be considered in connection therewith and the benefits to be derived therefrom.

The actual results could differ materially from those anticipated in these forward looking statements as a result of the material risk factors set forth below, elsewhere in this short form prospectus and in the documents incorporated by reference herein:

- inability to complete the Acquisition for any reason;
- the conditions to the completion of the Offering may not be satisfied;
- the use of proceeds of the Offering by the Corporation may change if the Board determines that it would be in the best interests of the Corporation to deploy the proceeds for some other purpose;
- failure to realize the anticipated benefits of acquisitions, including the Acquisition;
- unforeseen difficulties in integrating assets (including the Kaybob Assets) acquired through acquisitions into the Corporation’s operations;
- volatility in market prices for oil and natural gas;
- operational risks and liabilities inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and natural gas reserves;
- the effect of litigation proceedings, including the Action, upon the Corporation's business, including potential effects upon completion of, and the anticipated benefits of, the Acquisition;
- the impact of exercises of the ROFRs with respect to the ROFR Properties;
- changes in royalty regimes;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of benefits to be obtained from acquisitions and exploration and development programs (including the Acquisition);
- geological, technical, drilling and processing problems;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- general business and market conditions;
- the accuracy of oil and gas reserves estimates and estimated production levels as they are affected by exploration and development drilling and estimated decline rates;
- the uncertainties in regard to the timing of Razor’s exploration and development program;
- fluctuations in the costs of borrowing;
- political or economic developments;
- inability to obtain requisite regulatory approvals in connection with the Acquisition or otherwise;
- the results of litigation or regulatory proceedings that may be brought against the Corporation;
- changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; and
- the other factors discussed under “*Risk Factors*” herein and in the AIF and Annual MD&A.

In addition, statements relating to “reserves” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future.

This short form prospectus contains future-oriented financial information and financial outlook information (collectively, “**FOFI**”) about the Corporation’s prospective results of operations, expenditures, funds flows, netbacks,

debt, payout ratio and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this short form prospectus was made as of the date of this short form prospectus and was provided for the purpose of describing the anticipated effects of the Offering and the Acquisition on the Corporation's business operations. The Corporation disclaims any intention or obligation to update or revise any FOFI contained in this short form prospectus, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this short form prospectus should not be used for purposes other than for which it is disclosed herein. See "*Risk Factors*".

With respect to forward-looking statements contained in this short form prospectus, the Corporation has made assumptions regarding, among other things: the timing of obtaining regulatory and third party approvals and completion of the Acquisition and the Offering; that commodity prices will be consistent with the current forecasts of its engineers; field netbacks; average production rates; costs to drill, complete and tie-in wells; ultimate recovery of reserves; royalty regimes will not be subject to material modification; that the Corporation will be able to obtain skilled labour and other industry services at reasonable rates; that the timing and amount of capital expenditures and the benefits therefrom will be consistent with the Corporation's expectations; the impact of increasing competition; that the conditions in general economic and financial markets will not vary materially; that the Corporation will be able to access capital, including debt, on acceptable terms; that drilling, completion and other equipment will be available on acceptable terms; that government regulations and laws will not change materially; that royalty rates will not change in any material respect; and that future operating costs will be consistent with the Corporation's expectations.

The Corporation has included the above summary of assumptions and risks related to forward-looking statements provided in this short form prospectus in order to provide investors with a more complete perspective on the Corporation's current and future operations and such information may not be appropriate for other purposes. Forward-looking statements contained in certain documents incorporated by reference into this short form prospectus are based on the key assumptions and are subject to the risks described herein and in the documents incorporated by reference. The reader is cautioned that such assumptions, although considered reasonable by the Corporation at the time of preparation, may prove to be incorrect.

These factors should not be construed as exhaustive. The forward-looking statement disclosure contained in this short form prospectus, and the documents incorporated by reference herein, are expressly qualified by this cautionary statement. These forward-looking statements are made as of the date of this short form prospectus, or in the case of the documents incorporated by reference herein, as of the dates of such documents. Unless required by law, the Corporation does not undertake any obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

CONVENTIONS

Certain terms used herein are defined in the "Selected Definitions". Certain other terms used herein but not defined herein are defined in NI 51-101 and CSA 51-324 and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101 and CSA 51-324. All financial information herein has been presented in Canadian dollars in accordance with IFRS. Words importing the singular number only include the plural, and vice versa, and words importing any gender include all genders. All dollar amounts set forth in this short form prospectus are in Canadian dollars, except where otherwise indicated.

NON-IFRS MEASURES

In this short form prospectus and in certain of the documents incorporated by reference herein, the Corporation provides certain financial measures that do not have a standardized meaning prescribed by IFRS. Razor's method of calculating these measures may differ from other companies and accordingly, they may not be comparable to measures used by other companies. Investors are cautioned that these measures should not be construed as an alternative to net income (loss) and other measures determined in accordance with IFRS as an indication of the

Corporation's performance, liquidity or cash flows. Run rate cash flow is calculated based on annualized production and operating netback. Operating netback equals total petroleum and natural gas sales less royalties and operating costs calculated on a boe basis using the Corporation's commodity price forecast. These non-IFRS measures should be read in conjunction with the Corporation's most recent annual and interim financial statements and the related management's discussion and analysis.

CONVERSIONS

The following table sets forth certain conversions between Standard Imperial Units and the International System of Units (or metric units).

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
Mcf	cubic metres	28.317
cubic metres	cubic feet	35.315
Bbls	cubic metres	0.159
cubic metres	Bbls	6.289
Feet	Metres	0.305
Metres	Feet	3.281
Miles	kilometres	1.609
Kilometres	Miles	0.621
Acres	hectares	0.405
Hectares	Acres	2.471
Gigajoules	MMbtu	0.950
MMbtu	gigajoules	1.0526

ABBREVIATIONS

Oil and Natural Gas Liquids

Bbl	barrel
Bbls	barrels
Bbls/d	barrels per day
Mbbls	thousand barrels
MMbbls	million barrels
NGLs	natural gas liquids

Natural Gas

Mcf	thousand cubic feet
MMcf	million cubic feet
Bcf	billion cubic feet
Mcf/d	thousand cubic feet per day
MMcf/d	million cubic feet per day
MMbtu	million British Thermal Units
GJ	Gigajoule

Other

AECO	the natural gas storage facility located at Suffield, Alberta, connected to TransCanada's Alberta System
API	American Petroleum Institute
°API	an indication of the specific gravity of crude oil measured on the API gravity scale
BOE or boe	barrel or barrels of oil equivalent, using the conversion factor of 6 Mcf of natural gas being equivalent to one barrel of oil
boe/d	barrels of oil equivalent per day
\$US	United States dollars
Mboe	thousand barrels of oil equivalent.
MMboe	million barrels of oil equivalent
RLI	reserve life index
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade
M\$	thousands of dollars
MM\$	millions of dollars

BARREL OF OIL EQUIVALENCY

The term “boe” means a barrel of oil equivalent on the basis of 6 Mcf of natural gas to 1 Bbl of oil. The term boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf: 1Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.

CERTAIN RESERVES DATA INFORMATION

The discounted and undiscounted net present value of future net revenues attributable to the reserves of the Corporation or the Kaybob Assets do not represent the fair market value of the reserves of the Corporation or the Kaybob Assets, as applicable. There is no assurance that the forecast prices and costs assumptions applied by Sproule in evaluating the reserves attributable to the Swan Hills Assets and the reserves attributable to the Kaybob Assets, respectively, will be attained and variances could be material. The estimates of light and medium oil, NGLs and conventional natural gas provided in this short form prospectus or otherwise referred to in this short form prospectus are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual light and medium oil, NGLs and conventional natural gas reserves may be greater than or less than the estimates provided in this short form prospectus or otherwise referred to in this short form prospectus, and the difference may be material.

The determination of light and medium oil, NGLs and conventional natural gas reserves involves the preparation of estimates that have an inherent degree of associated risk and uncertainty. The estimation and classification of reserves is a complex process involving the application of professional judgment combined with geological and engineering knowledge to assess whether specific classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves and resources definitions. In addition, rules set forth in the COGE Handbook and NI 51-101 override professional judgments as to volumes of recovery, well productivity and other factors.

The information set forth in this short form prospectus relating to the reserves and future net revenues of the Corporation and the Kaybob Assets constitutes forward-looking statements which are subject to certain risks and uncertainties. See “*Special Note Regarding Forward-Looking Statements*”.

Unless otherwise specified, the NGLs reported by Sproule, in its capacity as the Corporation’s independent qualified reserves evaluator and as the independent qualified reserves evaluator for the Kaybob Assets Reserves Report, that are referred to in this short form prospectus are reported on a combined basis with any condensate as required under NI 51-101.

The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in certain of the provinces of Canada. Copies of the documents incorporated by reference herein may be obtained on request without charge from the Chief Financial Officer of the Corporation at Suite 1250, 645 – 7th Avenue S.W., Calgary, Alberta, T2P 4G8, telephone (587) 794-4726. These documents are also available through the internet on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”), which can be accessed at www.sedar.com.

The following documents, filed with the securities commissions or similar authorities in certain of the provinces of Canada, are specifically incorporated by reference in, and form an integral part of, this short form prospectus, provided that such documents are not incorporated by reference to the extent that their contents are modified or

superseded by a statement contained in this short form prospectus or in any other subsequently filed document that is also incorporated by reference in this short form prospectus:

1. the AIF;
2. the audited consolidated financial statements of the Corporation as at and for the years ended December 31, 2016 and 2015, together with the notes thereto and the auditors' report thereon;
3. the Annual MD&A;
4. the audited financial statements of Razor PrivateCo as at December 31, 2016 and for the period from incorporation on June 14, 2016 to December 31, 2016, together with the notes thereto and the auditors' report thereon;
5. the management's discussion and analysis of the financial condition and operating results of Razor PrivateCo for the period ended December 31, 2016;
6. the Information Circular;
7. the amended material change report of the Corporation dated as of February 10, 2017 in respect of the Arrangement;
8. the material change report of the Corporation dated May 3, 2017 in respect of the reserves information associated with the Swan Hills Assets;
9. the "template version" (as such term is defined in NI 41-101) of the term sheet for the Offering dated and filed on SEDAR on April 19, 2017.

Any documents of the type required by NI 44-101 to be incorporated by reference in a short form prospectus including any material change reports (excluding material change reports filed on a confidential basis), comparative interim financial statements, comparative annual financial statements and the auditors' report thereon, management's discussion and analysis of financial condition and results of operations, information circulars, annual information forms, marketing materials (as such term is defined in NI 41-101) and business acquisition reports filed by the Corporation with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of this short form prospectus and prior to the termination of this Offering are deemed to be incorporated by reference in this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. Any statement so modified or superseded shall not constitute a part of this short form prospectus, except as so modified or superseded.

MARKETING MATERIALS

Any "template version" of any "marketing materials" (as such terms are defined in NI 41-101) that are utilized by the Agents in connection with the Offering are not part of this short form prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this short form prospectus. Any template version of any marketing materials that has been, or will be, filed on SEDAR before

the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated into this short form prospectus.

THE CORPORATION

The Corporation was incorporated pursuant to the provisions of the OBCA on March 5, 2010 as “2236235 Ontario Inc.” On April 15, 2011, the Corporation changed its name to “Vector Resources Inc.”. On June 29, 2011, the Corporation filed articles of amendment to remove share transfer restrictions in its articles. On January 31, 2017, the Corporation completed the Arrangement. On January 31, 2017, the Corporation changed its name to “Razor Energy Corp.” and consolidated the Common Shares on a 20-to-1 basis. On February 3, 2017, the Corporation was continued from Ontario to Alberta under the provisions of the ABCA. On February 3, 2017, the Corporation completed a vertical amalgamation with its wholly-owned subsidiary, Razor Acquisition Corp.

The Corporation’s head office is located at Suite 1250, 645 – 7th Avenue S.W., Calgary, Alberta, T2P 4G8, and the registered office is located at Suite 4000, 421 – 7th Avenue S.W., Calgary, Alberta, T2P 4K9.

For a more complete description of, among other things, the business, operations and structure of the Corporation please refer to the AIF incorporated herein by reference.

Intercorporate Relationships

The Corporation has no subsidiaries.

BUSINESS OF THE CORPORATION

The Corporation is a public crude oil and natural gas exploration and production company with its offices located in Calgary, Alberta. Razor operates assets primarily in Alberta. For further information on the Corporation and its business activities, see the AIF which is incorporated by reference herein.

RECENT DEVELOPMENTS

Qualifying Transaction and Recapitalization

On January 31, 2017, the Corporation completed the Arrangement, which constituted the Corporation’s “Qualifying Transaction” (as defined in the policies of the TSXV). Pursuant to the Arrangement, each common share of Razor PrivateCo was exchanged for 2,042.13 Common Shares on a pre-consolidation basis.

Upon completion of the Arrangement, the new board of directors of the Corporation was comprised of Doug Bailey, Frank Muller, Sony Gill, Sonny Mottahed, Vick Saxon and Stan Smith and the new management team of the Corporation was appointed, including Doug Bailey as President and Chief Executive Officer, Frank Muller as Senior Vice President and Chief Operating Officer, Kevin Braun as Chief Financial Officer, David Derkat as Vice President, Engineering, Stephen Sych as Vice President, Operations and Devin Sundstrom as Vice President, Production.

On January 31, 2017, the Corporation secured a non-revolving term loan facility from AIMCo for a principal amount of \$30.0 million (the “**Term Loan Facility**”). The Term Loan Facility has a four year term with an interest rate of 10% and is payable semi-annually. A portion of the Term Loan Facility was used by the Corporation to fund the purchase price in respect of the Swan Hills Acquisition. The remaining proceeds of the Term Loan Facility will be used by the Corporation to fund its development program and for general corporate purposes. The Corporation also issued Common Shares to AIMCo, representing approximately 10.05% of the Common Shares, as additional consideration for the Term Loan Facility.

On January 31, 2017, the Corporation also completed the Swan Hills Acquisition, pursuant to which the Corporation acquired certain oil and gas interests in the Swan Hills area of Alberta for aggregate cash consideration of \$15.0 million.

On January 31, 2017, the Corporation completed a consolidation of its common shares on a 20-to-1 basis and filed articles of amendment to change its name from “Vector Resources Inc.” to “Razor Energy Corp.”.

THE ACQUISITION

General

On April 19, 2017, Razor entered into the Acquisition Agreement providing for the Acquisition. Pursuant to the Acquisition Agreement, the Corporation has agreed to acquire the Kaybob Assets for cash consideration of approximately \$9.6 million (subject to customary closing adjustments and subject to adjustments related to ROFRs that may be exercised, as described below). Closing of the Acquisition is expected to occur on or about May 24, 2017 and will have an effective date of January 1, 2017. Razor has paid a deposit of \$0.96 million to an escrow agent for the benefit of the Vendor in connection with the Acquisition (the “**Deposit**”). See “*The Kaybob Assets*” for further information on the Kaybob Assets. See Schedule A of this short form prospectus for certain operating statements for the Kaybob Assets. See Schedule B of this short form prospectus for the Corporation’s unaudited pro forma operating statements after giving effect to the Acquisition for the year ended December 31, 2016.

The Corporation intends to fund the purchase price payable pursuant to the Acquisition Agreement with the Escrowed Funds. See “*Use of Proceeds*”.

Benefits of the Acquisition

The Kaybob Assets complement Razor’s existing portfolio of producing oil and gas holdings in the greater Swan Hills area of Alberta. The Acquisition is consistent with Razor’s business plan of acquiring, exploiting, and developing undercapitalized assets. Following completion of the Acquisition, Razor expects to be producing over 3,700 boe/d (84% oil and natural gas liquids).

Based on current field estimates, the Kaybob Assets are producing approximately 760 boe/d, comprised of approximately 73% light oil and liquids. The Kaybob Assets have an annual decline rate of approximately 15%. Assuming completion of the Acquisition, Razor has increased its 2017 average production guidance from 3,250 boe/d (86% oil and natural gas liquids) to 3,850 boe/d (84% oil and natural gas liquids).

The Kaybob Assets include an operated land position consisting of approximately 95,679 (33,542 net) acres of land. Assuming completion of the Acquisition, Razor will control approximately 145,270 net acres of land in central Alberta.

The Kaybob Assets include interests in the Kaybob South Triassic Units No. 1 & 2, Kaybob BHL Unit No. 1, Kaybob South BHL Gas Unit No. 3, Simonette BHL A & B pools and Karr BHL A pool. The Acquisition also includes ownership and access to necessary infrastructure and pipelines adequate to grow the production base.

Based on the Kaybob Assets Reserves Report, the Acquisition increases the Corporation’s total proved developed producing reserves by 1.5 MMboe, total proved reserves by 2.8 MMboe and total proved plus probable reserves by 3.7 MMboe. See “*The Kaybob Assets*”, “*Effect of the Acquisition on the Corporation*” and “*Risk Factors*”.

Asset Summary

Total purchase price ⁽¹⁾	\$9.6 million
Current production	760 boe/d
Annual decline rate	15%
Land	95,679 (33,542 net) acres
Run rate cash flow ⁽⁵⁾	\$3.3 million
Forecast 2017 operating netback ⁽²⁾	\$11.87 /boe

Reserves (Gross)	
Proved developed producing reserves ⁽³⁾	1.5 MMboe
Total proved reserves ⁽³⁾	2.8 MMboe
Total proved plus probable reserves ⁽³⁾	3.7 MMboe
Total proved plus probable RLI ⁽⁴⁾	13 years

Acquisition Metrics

Current production	\$12,652 per boe/d
Proved developed producing reserves ⁽³⁾	\$6.46 per boe
Total proved reserves ⁽³⁾	\$3.48 per boe
Total proved plus probable reserves ⁽³⁾	\$2.62 per boe
Run rate cash flow ⁽⁵⁾	2.87x

Notes:

1. Subject to normal adjustments for a transaction of this nature and adjustments related to the exercise of ROFRs.
2. Operating netback does not have any standard meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities. Operating netback equals total petroleum and natural gas sales less royalties and operating costs calculated on a boe basis. Razor considers operating netback as an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. The estimated operating netback was derived using the Corporation's 2017 commodity price forecast of US\$54.27/Bbl WTI, \$2.72/MCF AECO, and a Canadian/US dollar exchange rate of \$1.33 with the average operating netback calculated from the Closing Date to December 31, 2017. See "Non-IFRS Measures".
3. Gross Company Reserves. Reserves based on the Kaybob Assets Reserves Report. Gross Company Reserves means Razor's working interest reserves assuming completion of the Acquisition before the calculation of royalties, and before the consideration of the Corporation's royalty interests.
4. The reserve life index ("RLI") is calculated by dividing total proved plus probable reserves estimated at 3,683 MBoe with estimated current production of the Kaybob Assets of 760 boe/d.
5. Run rate cash flow does not have any standard meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities. Run rate cash flow is based on annualized current production of 760 boe/d multiplied by the operating netback for the Kaybob Assets of \$11.87/boe (see Note 2 above).

Closing Conditions, Deposit and Liability Arrangements for the Acquisition

Conditions to closing the Acquisition under the Acquisition Agreement include, among others, the following: (i) delivery by the parties of certificates in respect of the accuracy of representations and warranties and performance of covenants; (ii) the receipt of all required approvals; and (iii) the absence of material adverse damage with respect to the tangibles of the Kaybob Assets.

In accordance with the terms of the Acquisition Agreement, if the Acquisition is completed, the Deposit will be credited to the purchase price of the Kaybob Assets. If closing of the Acquisition does not occur due to a default by the Corporation under the Acquisition Agreement, the Vendor will be entitled to retain the Deposit (together with interest earned thereon, if any) which will constitute the total amount of the Vendor's losses as a result of closing of the Acquisition not occurring and would constitute the Vendor's sole recourse in such circumstances. If the closing does not occur for any reason other than due to a default by the Corporation under the Acquisition Agreement or as a result of failure to obtain all necessary approvals, the Deposit (together with the interest earned thereon, if any) will be returned to the Corporation.

In connection with the Acquisition, the Vendor has agreed to indemnify Razor in respect of certain liabilities attributable to the Kaybob Assets concerning matters that are occurring or accruing prior to the effective date of the Acquisition. The Corporation has agreed to indemnify the Vendor in respect of certain liabilities attributable to the Kaybob Assets concerning matters that occur or accrue subsequent to the effective date of the Acquisition.

ROFRs

ROFR Properties constitute less than 20% and 52% of the total current production and total proved reserves attributable to the Kaybob Assets, respectively, and the Corporation anticipates that ROFR Properties will be allocated a value of less than 36% of the purchase price for the Kaybob Assets. In accordance with the terms of the Acquisition Agreement, the Vendor is required to send notices to third parties entitled to a ROFR. As at the date hereof, these notices have not yet been sent. Such third parties will have a period of time after receipt of the notice to waive the ROFR or exercise the ROFR and acquire the ROFR Properties from the Vendor for the same purchase price ascribed to those properties by the Corporation. The longest such exercise or waiver period for material items is 30 days from receipt of the notice. If a third party entitled to exercise a ROFR exercises its right, the portion of the Kaybob Assets affected by the ROFR will be excluded from the purchase and sale contemplated by the Acquisition Agreement and the purchase price will be adjusted for the value ascribed to such properties in the ROFR notices. Such adjustments may be completed following closing of the Acquisition if the applicable ROFR period has not yet expired at the time of closing.

Legal Proceedings

The Corporation is named as a co-defendant in a statement of claim in an action which relates to the Kaybob Assets and the Acquisition. See “*Risk Factors – Legal Proceedings*”.

THE KAYBOB ASSETS

General

Pursuant to the Acquisition Agreement, the Corporation has agreed to acquire the Kaybob Assets. The Kaybob Assets are located in Kaybob area of Alberta. The Kaybob Assets include an average working interest of approximately 35% in 95,679 gross (33,542 net) acres of undeveloped land as at December 31, 2016. Production from the Kaybob Assets is weighted 73% to crude oil and natural gas liquids and 27% to natural gas. The properties include approximately 20 gross (8 net) producing oil wells and 201 gross (69 net) non-producing oil wells as at December 31, 2016. Major facilities include interests in Kaybob BHLU1 (Beaver Hill Lake Unit No. 1) Gas Plant, BHLU1 8-9 Oil Battery and Kaybob South Triassic Unit 2 3-24 Battery.

Crude Oil, Natural Gas Liquids and Natural Gas Reserves

The information regarding the Kaybob Assets set forth herein (including the operating statements and the unaudited pro forma operating statements set forth in Schedules A and B, respectively) is in respect of all of the Kaybob Assets. ROFR Properties constitute less than 20% and 52% of the total current production and total proved reserves attributable to the Kaybob Assets, respectively. To the extent that any third parties exercise ROFRs on the Kaybob Assets, the Corporation believes that the historical operational and reserves information set forth herein will be reduced in a proportion generally equivalent to the proportion of the Kaybob Assets in respect of which the ROFRs are exercised.

All reserves associated with the Kaybob Assets are located in the province of Alberta. There are no heavy oil reserves associated with the Kaybob Assets.

As Razor does not currently own the Kaybob Assets, the following information has been summarized from information provided to the Corporation by or on behalf of the Vendor in connection with Razor’s due diligence and the Kaybob Assets Reserves Report.

Reserves Information

In accordance with NI 51-101, Sproule prepared the Kaybob Assets Reserves Report with an effective date of December 31, 2016. The following reserves estimates and future net revenue forecasts have been prepared and

presented in accordance with the Canadian standards set out in the COGE Handbook and NI 51-101, except that income tax calculations have been excluded.

The tables below are a consolidated summary of the crude oil, NGL and natural gas reserves attributable to the Kaybob Assets as of December 31, 2016 and the net present value of future net revenue attributable to such reserves as evaluated in the Kaybob Assets Reserves Report based on forecast price and cost assumptions.

The Kaybob Assets Reserves Report was prepared for the Vendor and the Corporation is unable to assess the Vendor's procedures for providing information to Sproule or for assembling and reporting other information to Sproule associated with the Kaybob Assets. The Corporation has not verified the information contained within the Kaybob Assets Reserves Report, however, it believes the information is reliable as it was prepared by an independent qualified reserves evaluator in accordance with the COGE Handbook and NI 51-101. See "*Risk Factors – Acquisitions Require Engineering, Title, Environmental and Economic Assessments that may be Materially Incorrect*".

Reserve Categories

Reserves are estimated remaining quantities of crude oil and conventional natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on:

- analysis of drilling, geological, geophysical and engineering data;
- the use of established technology; and
- specified economic conditions, specifically the forecast prices and costs.

Reserves are classified according to the degree of certainty associated with the estimates.

- (a) Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- (b) Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Other criteria that must also be met for the categorization of reserves are provided in the COGE Handbook.

Each of the reserve categories (proved and probable) may be divided into developed and undeveloped categories:

- (a) Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.
 - (i) Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
 - (ii) Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

- (b) Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to individual reserve entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest level sum of individual entity estimates for which reserve estimates are prepared). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- (a) at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and
- (b) at least a 50 percent probability that the quantities actually recovered will equal or exceed the estimated proved plus probable reserves.

A qualitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in the COGE Handbook.

Interests in Reserves, Production, Wells and Properties

An issuer's interest in reserves, production, wells and properties can be reported in a number of ways:

- (a) “**gross**” means: (i) in relation to an issuer's interest in production or reserves, its “company gross reserves”, which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the issuer; (ii) in relation to wells, the total number of wells in which an issuer has an interest; and (iii) in relation to properties, the total area of properties in which an issuer has an interest.
- (b) “**net**” means: (i) in relation to an issuer's interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interests in production or reserves; (ii) in relation to an issuer's interest in wells, the number of wells obtained by aggregating the issuer's working interest in each of its gross wells; and (iii) in relation to an issuer's interest in a property, the total area in which the issuer has an interest multiplied by the working interest owned by the issuer.
- (c) “**working interest**” means the percentage of undivided interest held by an issuer in the oil and/or natural gas or mineral lease granted by the mineral owner, Crown or freehold, which interest gives the

issuer the right to “work” the property (lease) to explore for, develop, produce and market the leased substances.

Description of Exploration and Development Wells and Costs

“**development costs**” means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the crude oil and natural gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to: (i) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves; (ii) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and wellhead assembly; (iii) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and (iv) provide improved recovery systems.

“**development well**” means a well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.

“**exploration costs**” means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and natural gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as “prospecting costs”) and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are: (i) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as “geological and geophysical costs”); (ii) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence, and the maintenance of land and lease records; (iii) dry hole contributions and bottom hole contributions; (iv) costs of drilling and equipping exploratory wells; and (v) costs of drilling exploratory type stratigraphic test wells.

“**exploration well**” means a well that is not a development well, a service well or a stratigraphic test well.

“**service well**” means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, salt water disposal, water supply for injection, observation or injection for combustion.

Summary of Reserves (Forecast Prices and Costs)

**SUMMARY OF OIL AND GAS RESERVES
AND NET PRESENT VALUES OF FUTURE NET REVENUE
AS OF DECEMBER 31, 2016**

	Light and Medium Crude Oil		Conventional Natural Gas (associated & non-associated)		Natural Gas Liquids		Barrels of Oil Equivalent	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	(Mbbls)	(Mbbls)	(MMcf)	(MMcf)	(Mbbls)	(Mbbls)	(Mboe)	(Mboe)
Proved								
Developed Producing	1,163	857	1,394	1,275	127	91	1,522	1,160
Developed Non-Producing	918	769	1,275	1,170	116	79	1,246	1,043
Undeveloped	-	-	-	-	-	-	-	-
Total Proved	2,081	1,626	2,669	2,446	242	170	2,768	2,203
Probable	677	524	924	846	84	65	915	730
Total Proved plus Probable	2,758	2,150	3,593	3,292	326	235	3,683	2,933

Notes:

- Columns may not add due to rounding.
- Conventional natural gas volumes include solution gas volumes associated with the Kaybob Assets' light and medium crude oil reserves.
- Conventional natural gas is converted to a boe at a ratio of six thousand standard cubic feet to one barrel of oil.

Entity Description	Net Present Value of Future Net Revenue				BT Unit Value ⁽⁴⁾
	Before Income Tax Discounted at Various Rates				
	0%	5%	10%	15%	
	M\$	M\$	M\$	M\$	\$/boe
Proved					
Producing	36,863	28,101	22,520	18,774	19.41
Developed Non-Producing	20,699	16,651	13,695	11,487	13.13
Undeveloped	-	-	-	-	-
Total Proved	57,562	44,752	36,215	30,261	16.44
Total Probable	22,317	13,085	8,439	5,852	11.56
Total Proved plus Probable	79,879	57,837	44,654	36,113	15.22

Notes:

- Utilizes Sproule's price forecast as of December 31, 2016 as detailed below.
- Values are net of abandonment liabilities.
- Columns may not add due to rounding.
- BT Unit Value is the unit value before income tax discounted at 10% per year based upon net reserve values.
- Estimates of future net revenue do not represent fair market value.

**TOTAL FUTURE NET REVENUE (UNDISCOUNTED)
AS OF DECEMBER 31, 2016**

RESERVES CATEGORY	REVENUE (MM\$)	ROYALTIES (MM\$)	OPERATING COSTS (MM\$)	CAPITAL DEVELOPMENT COSTS (MM\$)	ABANDONMENT/ RECLAMATION/ OTHER COSTS (MM\$)	FUTURE NET REVENUE BEFORE INCOME TAXES (MM\$)
Proved	191	36	91	0.91	4.2	58
Proved Plus Probable	266	52	128	0.91	4.6	80

**FUTURE NET REVENUE BY PRODUCT TYPE
AS OF DECEMBER 31, 2016
FORECAST PRICES AND COSTS**

RESERVES CATEGORY	PRODUCT TYPE	FUTURE NET REVENUE BEFORE TAXES (discounted at 10%/year) (M\$)	UNIT VALUE BEFORE INCOME TAX ⁽⁴⁾ (discounted at 10%/year) (\$/boe)
Proved	Light and Medium Crude Oil (including solution gas liquids)	36,215	16.44
	Conventional Natural Gas (non-associated & associated)	-	-
Proved Plus Probable	Light and Medium Crude Oil (including solution gas liquids)	44,654	15.22
	Conventional Natural Gas (non-associated & associated)	-	-

Notes:

1. Columns may not add due to rounding.
2. Unit values are based on net reserve volumes.

Forecast Costs and Price Assumptions

Sproule employed the following pricing and inflation rate assumptions as of December 31, 2016 in its evaluations contained in the Kaybob Assets Reserves Report in estimating reserves data using forecast prices and costs.

**SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS
FORECAST PRICES AND COSTS**

Year	WTI Cushing Oklahoma 40° API (\$US/Bbl)	Canadian Light Sweet (\$Cdn/Bbl)	Natural Gas AECO (\$Cdn/MMbtu)	Edmonton Pentanes Plus (\$Cdn/Bbl)	Edmonton Butane (\$Cdn/Bbl)	Operating Cost Inflation Rate %/year	Capital Cost Inflation Rate %/year	Exchange Rate (\$US/\$CDN)
2017	55.00	65.58	3.44	67.95	47.60	0.0%	0.0%	0.780
2018	65.00	74.51	3.27	75.61	55.49	2.0%	2.0%	0.820
2019	70.00	78.24	3.22	78.82	57.65	2.0%	2.0%	0.850
2020	71.40	80.64	3.91	80.47	58.80	2.0%	2.0%	0.850
2021	72.83	82.25	4.00	82.15	59.98	2.0%	2.0%	0.850
2022	74.28	83.90	4.10	83.86	61.18	2.0%	2.0%	0.850
2023	75.77	85.58	4.19	85.61	62.40	2.0%	2.0%	0.850
2024	77.29	87.29	4.29	87.39	63.65	2.0%	2.0%	0.850
2025	78.83	89.03	4.40	89.21	64.92	2.0%	2.0%	0.850
2026	80.41	90.81	4.50	91.07	66.22	2.0%	2.0%	0.850
Thereafter	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr

Note:

1. Utilizes Sproule's price forecast at December 31, 2016.

Weighted average historical prices realized by the Vendor in respect of the Kaybob Assets for the 12 month period ended December 31, 2016 were \$2.31/Mcf for natural gas \$48.69/Bbl for crude oil and \$26.70/Bbl for NGLs.

Significant Factors or Uncertainties

The Corporation does not anticipate any significant economic factors or significant uncertainties that will affect any particular components of the reserves data for the Kaybob Assets. However, reserves can be affected significantly by

fluctuations in product pricing, capital expenditures, operating costs, royalty regimes and well performance that are beyond the Corporation's control. The effects can be either positive or negative.

The evaluated oil and gas properties of the Kaybob Assets have no material extraordinary risks or uncertainties beyond those that are inherent in oil and gas exploration and production operations.

See "Risk Factors" herein and in the AIF.

Future Development Costs

The following table sets forth development costs deducted in the estimation of the future net revenue in the Kaybob Assets Reserves Report attributable to the reserve categories noted below for the Kaybob Assets.

Year	Forecast Prices and Costs (M\$)	
	Proved Reserves	Proved Plus Probable Reserves
2017	579.5	579.5
2018	333.4	333.4
2019	-	-
2020	-	-
2021	-	-
Thereafter	-	-
Total Undiscounted	912.9	912.9
Total Discounted at 10%	858.4	858.4

The future development costs are capital expenditures required in the future for Razor to convert proved developed non-producing reserves and probable developed non-producing reserves to proved developed producing reserves. Sproule has not assigned any undeveloped reserves for the Kaybob Assets.

The Corporation expects to fund the development costs of these reserves through a combination of internally generated cash flow from operations and, if necessary, equity issuances and debt. There can be no guarantee that funds will be available or that the Board will allocate funding to develop all of the reserves attributed to the Kaybob Assets in the Kaybob Assets Reserves Report. Failure to develop those reserves could have a negative impact on the Corporation's future cash flows.

The interest or other costs of external funding are not included in the reserves and future net revenue estimates set forth above and would reduce reserves and future net revenue to some degree depending upon the funding sources utilized. The Corporation does not anticipate that interest or other funding costs would make development of any of the Kaybob Assets uneconomic.

Other Oil and Natural Gas Information

Oil and Natural Gas Wells

The following table sets forth the approximate number and status of oil and gas wells in which Razor will acquire a working interest pursuant to the Acquisition.

	Producing				Non Producing⁽¹⁾			
	Oil		Gas		Oil		Gas	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Total	20	8	6	1	201	69	90	22

Note:

1. “**Non-Producing**” means wells that may or may not have been previously on production and the date production will be obtained from these wells is uncertain.

Developed and Undeveloped Lands

The following table sets out, for the Kaybob Assets, the developed and undeveloped land holdings as at December 31, 2016, in which Razor will acquire a working interest pursuant to the Acquisition.

	<u>Developed Acres</u>		<u>Undeveloped Acres</u>		<u>Total Acres</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
Total⁽¹⁾	86,348	31,975	9,331	1,567	95,679	33,542

Note:

1. All developed and undeveloped land holdings are in Alberta.

None of the undeveloped land holdings associated with the Kaybob Assets are currently held by production.

Forward Contracts

Razor will not be assuming any hedging commitments in connection with the Acquisition.

Production Estimates

The following table sets out the volumes of working interest production before royalties estimated for the first forecast year, January 1, 2017 to December 31, 2017, in the Kaybob Assets Reserves Report which is reflected in the estimate of future net revenue disclosed in the tables above. Actual results may differ significantly from the information below. See “*Risk Factors*” herein and in the AIF.

	<u>Light and Medium Crude Oil (including C5+)</u>	<u>Conventional Natural Gas</u>	<u>Natural Gas Liquids (excluding C5+)</u>	<u>boe</u>
	<u>(Bbls/d)</u>	<u>(Mcf/d)</u>	<u>(Bbls/d)</u>	<u>(boe/d)</u>
Total Proved	562	644	45	714
Total Probable	19	26	2	25
Total Proved plus Probable	582	670	47	739

Production History

The following table indicates the average daily net production from the Kaybob Assets for the year ended December 31, 2016.

	<u>Year Ended December 31, 2016</u>
Average Daily Production	
Crude Oil & NGL (Bbls/d)	582
Conventional Natural Gas (Mcf/d)	804
Oil Equivalent (boe/d)	716

EFFECT OF THE ACQUISITION ON THE CORPORATION**Operating Statements**

Schedule A attached hereto contains an audited operating statement of the Kaybob Assets for the year ended December 31, 2016 and an unaudited operating statement of the Kaybob Assets for the year ended December 31,

2015. Schedule B attached hereto contains unaudited pro forma operating statements of the Corporation for the year ended December 31, 2016 after completion of the Swan Hills Acquisition and giving effect to the Acquisition.

Selected Financial Information

The following is a summary of selected financial information for the Corporation, the Swan Hills Assets, the Kaybob Assets and for the Corporation on an unaudited pro forma basis following the completion of the Swan Hills Acquisition and the Acquisition. The following is a summary only and must be read in conjunction with the operating statements for the Swan Hills Assets, the operating statements for the Kaybob Assets and the unaudited pro forma operating statements contained or incorporated by reference herein.

For the year ended December 31, 2016

	<u>Corporation⁽¹⁾</u>	<u>Swan Hills Assets</u>	<u>Kaybob Assets</u>	<u>Pro Forma</u>
	(M\$)	(M\$)	(M\$)	(M\$)
Gross revenue	-	\$37,747	\$10,173	\$47,920
Royalties	-	(5,663)	(2,532)	(8,195)
Revenues	-	32,084	7,641	39,725
Operating expenses	-	32,325	5,598	37,923
Operating income ⁽²⁾	-	(241)	2,043	1,802

Notes:

1. Neither the Corporation nor Razor PrivateCo were conducting active operations on or before December 31, 2016.
2. Operating income is calculated by deducting royalties paid and operating expenses, including transportation expenses and production and mineral taxes, from gross revenue.

DESCRIPTION OF SHARE CAPITAL

Razor is authorized to issue an unlimited number of Common Shares. As at the date hereof, there are 10,187,224 Common Shares issued and outstanding.

The following is a summary of the rights, privileges, restrictions and conditions that attach to the Common Shares.

Common Shares

The holders of Common Shares are entitled to notice of, and to vote at, all meetings of shareholders (except meetings at which only holders of a specified class or series of shares are entitled to vote) and are entitled to one vote per Common Share. Holders of Common Shares are entitled to receive, if, as and when declared by the Board, such dividends as may be declared thereon by the Board from time to time. In the event of the liquidation, dissolution or winding-up of the Corporation, or any other distribution of assets among its shareholders for the purpose of winding-up its affairs, holders of Common Shares, are entitled to share equally, share for share, in the remaining property.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation as at December 31, 2016: (i) before giving effect to the Offering and the Acquisition; (ii) after giving effect to the Minimum Offering and the Acquisition; (iii) after giving effect to the Maximum Offering (assuming the Over-Allotment Option is not exercised) and the Acquisition; and (iv) after giving effect to the Maximum Offering (assuming full exercise of the Over-Allotment Option) and the Acquisition. The table should be read in conjunction with the annual financial statements of the Corporation as at and for the year ended December 31, 2016.

(\$ amounts in '000s)	As at March 31, 2017 before giving effect to the Offering and the Acquisition (1)	As at March 31, 2017 after giving effect to the Minimum Offering and the Acquisition (2)(3)	As at March 31, 2017 after giving effect to the Maximum Offering (assuming the Over- Allotment Option is not exercised) and the Acquisition (2)(4)	As at March 31, 2017 after giving effect to the Maximum Offering (assuming full exercise of the Over-Allotment Option) and the Acquisition (2)(5)
Cash	\$9,526	\$9,181	\$13,881	\$15,996
Loan ⁽⁶⁾	\$30,000	\$30,000	\$30,000	\$30,000
Share Capital ⁽⁷⁾	\$3,559	\$11,834	\$16,334	\$18,359
Common Shares (unlimited)	10,187,224	13,520,557	15,187,224	15,937,224
Warrants ⁽⁷⁾	-	1,666,667	2,500,000	2,875,000

Notes:

- As the Arrangement was a reverse takeover transaction, the number of Common Shares is for the Corporation and the value of share capital is for Razor PrivateCo.
- See “*The Acquisition*”.
- Based on the issuance of 3,333,333 Underlying Shares and 1,666,667 Warrants pursuant to the conversion of 3,333,333 Subscription Receipts issued in connection with the Offering for aggregate gross proceeds of \$10,000,000, less the Agency Fee of \$600,000 and the estimated expenses of the Offering of \$725,000 (exclusive of GST), for net proceeds to the Corporation of \$8,675,000. Share issue costs have not been tax affected.
- Based on the issuance of 5,000,000 Underlying Shares and 2,500,000 Warrants pursuant to the conversion of 5,000,000 Subscription Receipts issued in connection with the Offering for aggregate gross proceeds of \$15,000,000, less the Agency Fee of \$900,000 and the estimated expenses of the Offering of \$725,000 (exclusive of GST), for net proceeds to the Corporation of \$13,375,000. Share issue costs have not been tax affected.
- Based on the issuance of 5,750,000 Underlying Shares and 2,875,000 Warrants pursuant to the conversion of 5,750,000 Subscription Receipts issued in connection with the Offering for aggregate gross proceeds of \$17,250,000, less the Agency Fee of \$1,035,000 and the estimated expenses of the Offering of \$725,000 (exclusive of GST), for net proceeds to the Corporation of \$15,490,000. Share issue costs have not been tax affected.
- AIMCo has made the Term Loan Facility available to the Corporation in the aggregate amount of \$30 million pursuant to a loan agreement dated as of January 31, 2017. The Term Loan Facility is secured by a first priority security interest in all of the property and assets of the Corporation. The Term Loan Facility has a four year term and bears interest at a rate of 10% per annum calculated and payable semi-annually. Repayments of principal are not required until the maturity date. In addition, the Corporation issued the AIMCo 1,024,128 Common Shares which have an ascribed value of approximately \$3.5 million. As at the date hereof, the Corporation is not subject to any financial covenants under the Term Loan Facility. The Corporation will be subject to certain financial covenants under the Term Loan Facility beginning in fiscal year 2018. See “*Risk Factors*”. As at the date hereof, \$30 million was outstanding under the Term Loan Facility.
- There are no securities convertible into Common Shares other than the Subscription Receipts and the Warrants to be issued pursuant to the Offering.

PRICE RANGE AND TRADING VOLUME OF THE COMMON SHARES

The outstanding Common Shares are traded on the TSXV under the trading symbol “RZE”. The following table sets forth the price range and trading volume of the Common Shares as reported by the TSXV for the periods indicated.

<u>Period</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
<u>2016</u>			
May	N/A	N/A	N/A
June	N/A	N/A	N/A
July	N/A	N/A	N/A
August	N/A	N/A	N/A
September	N/A	N/A	N/A
October	N/A	N/A	N/A

<u>Period</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
November	N/A	N/A	N/A
December	N/A	N/A	N/A
<u>2017</u>			
January	N/A	N/A	N/A
February	4.00	2.85	54,835
March	3.82	3.16	154,172
April	3.45	3.15	24,615
May (1-3)	3.55	3.28	4,100

Note:

- Trading in the Common Shares was halted from September 21, 2015 until the resumption of trading on February 13, 2017 following the completion of the Corporation's Qualifying Transaction.

On April 18, 2017 and May 3, 2017, the last trading days prior to the public announcement of the Offering and the date of this short form prospectus, respectively, the closing price of the Common Shares on the TSXV was \$3.32 and \$3.45, respectively.

PRIOR SALES

The following table summarizes the issuances of Common Shares and securities convertible into Common Shares within the 12 month period prior to the date of this short form prospectus.

<u>Date of Issuance</u>	<u>Description of Transaction</u>	<u>Number of Securities⁽¹⁾</u>	<u>Deemed Price per Security</u>
January 31, 2017	Arrangement	8,976,285	\$0.35
January 31, 2017	Issuance of Common Shares to AIMCo	1,024,128	\$0.35

Note:

- Common Shares on a post-consolidation basis.

USE OF PROCEEDS

The net proceeds to the Corporation from the sale of the Subscription Receipts under the Offering will be: (i) \$9,400,000 in the event of the Minimum Offering after deducting the Agency Fee of \$600,000 payable to the Agents in respect of the Subscription Receipts but before deducting the estimated expenses of the Offering; and (ii) up to \$14,100,000 in the event of the Maximum Offering after deducting the Agency Fee of up to \$900,000 payable to the Agents in respect of the Subscription Receipts but before deducting the estimated expenses of the Offering. If the Over-Allotment Option is exercised in full, the total gross proceeds from the sale of Subscription Receipts, the Agency Fee and net proceeds to the Corporation (before deducting the expenses of the Offering) will be approximately \$17,250,000, \$1,035,000 and \$16,215,000, respectively. See "Plan of Distribution".

The following table sets forth the principal purposes for which Razor proposes to use the funds available to Razor upon the completion of the Offering:

	<u>Amount</u>	<u>Total</u>
Purchase price of Acquisition ⁽¹⁾	\$9,600,000	
Estimated closing purchase price adjustments ⁽²⁾⁽³⁾	(\$580,000)	
Estimated net cash required to complete the Acquisition		\$9,020,000
Gross proceeds raised pursuant to the Minimum Offering	\$10,000,000	
Agency Fee	(\$600,000)	
Expenses and costs relating to the Offering	(\$725,000)	
Total estimated net proceeds from the Minimum Offering⁽⁴⁾		\$8,675,000

	<u>Amount</u>	<u>Total</u>
Gross proceeds raised pursuant to the Maximum Offering ⁽⁵⁾	\$15,000,000	
Agency Fee ⁽⁴⁾	(\$900,000)	
Expenses and costs relating to the Offering	(\$725,000)	
Total estimated net proceeds from the Maximum Offering		\$13,375,000

Notes:

1. The purchase price in respect of the Acquisition is allocated: (i) 80% as to the Petroleum and Natural Gas Rights (as defined in the Acquisition Agreement); (ii) 20% less \$1.00 as to the Tangibles (as defined in the Acquisition Agreement); and (iii) \$1.00 as to the Miscellaneous Interests (as defined in the Acquisition Agreement). For accounting purposes, under IFRS, the assets and liabilities acquired will be recorded at their fair values on the closing date of the Acquisition. The fair values for accounting purposes may not coincide with the values specified in the Acquisition Agreement. A copy of the Acquisition Agreement will be filed on SEDAR and will be available for viewing under the Corporation's profile at www.sedar.com.
2. Purchase price adjustments include estimated cash flows, capital expenditures and interest from the date of the effective date of the Acquisition, being January 1, 2017, to the anticipated closing date of the Acquisition of May 24, 2017. Purchase price adjustments do not reflect any adjustments that may be made as a result of the exercise of any ROFRs.
3. To the extent that closing price adjustments are less than estimated, the additional amounts required to complete the Acquisition will be funded by the remaining net proceeds from the Offering and, if necessary, the Corporation's available cash.
4. In the event of the Minimum Offering, the additional amounts required to complete the Acquisition will be funded by the Corporation's available cash.
5. Assumes the Over-Allotment Option is not exercised. The aggregate gross proceeds from the Offering will be deposited in escrow pursuant to the terms of the Subscription Receipt Agreement. Upon satisfaction of the Escrow Release Conditions, the Escrowed Funds will be released from escrow, whereupon the remaining 50% of the Agency Fee (including any interest earned thereon, if any) will be payable to the Agents and the balance will be payable to the Corporation. The value in the table above does not include interest earned on the Escrowed Funds, if any. See "*Plan of Distribution*".

The gross proceeds from the Offering will be held by the Escrow Agent, and may be invested in short-term obligations of, or guaranteed by, the Government of Canada (or other approved investments in accordance with the terms of the Subscription Receipt Agreement) pending the satisfaction of the Escrow Release Conditions. Upon satisfaction of the Escrow Release Conditions at or before the Deadline, the Escrowed Funds and the interest earned thereon, if any (less the remaining portion of the Agency Fee, including the interest earned thereon, if any) will be released to the Corporation upon receipt of a notice by the Escrow Agent from the Corporation and Haywood that the Escrow Release Conditions have been satisfied. Razor will utilize the Escrowed Funds to purchase the Kaybob Assets pursuant to the Acquisition Agreement and intends to utilize remaining funds from the Offering, if any, for Razor's capital program, including funding short term exploration and development costs and other expenses in respect of the Kaybob Assets. To the extent Razor does not raise sufficient funds under the Offering to pay the full purchase price of the Acquisition, the additional amounts required to complete the Acquisition will be funded by the Corporation's available cash. See "*The Acquisition*".

On release of the Escrowed Funds to the Corporation, holders of Subscription Receipts will receive one Common Share and one-half of one Warrant for each Subscription Receipt held, without payment of additional consideration or further action on the part of such holder. If the Acquisition is not completed by the Deadline, or if the Corporation advises Haywood or the Corporation or the Vendor announces to the public that it does not intend to proceed with the Acquisition, or if the Acquisition Agreement has been terminated, holders of Subscription Receipts will receive an amount equal to the full subscription price attributable to the Subscription Receipts and their *pro rata* entitlement to interest or other income earned on such amount from the Closing Date up to and including the Termination Time, if any. See "*Details of the Offering*".

The use of net proceeds of the Offering by the Corporation is consistent with the Corporation's stated business objectives and strategic goals of the exploration for and development and acquisition of oil and natural gas reserves. Other than the successful completion of the Offering and the Acquisition, the success of the Corporation in meeting its business objectives will be dependent in part on the success of its drilling program and the availability of other accretive opportunities, which cannot be determined in advance. Upon completion of the Offering and the

Acquisition, the Corporation believes it will be better positioned to further its business objectives of exploring for and developing oil and gas assets.

While Razor believes that it has the skills and resources necessary to accomplish its stated business objectives and strategic goals, participation in the acquisition of, exploration for and development of oil and natural gas reserves has a number of inherent risks. See “*Risk Factors*” herein and in the AIF and “*Disclosure Regarding Forward-Looking Statements*” in the Annual MD&A, which is incorporated by reference herein.

DETAILS OF THE OFFERING

Subscription Receipts

The following is a summary of the material attributes and characteristics of the Subscription Receipts. This summary does not purport to be complete and is subject to, and qualified in its entirety by, reference to the terms of the Subscription Receipt Agreement, which, following the Closing Date, may be viewed under the Corporation’s profile on SEDAR at www.sedar.com.

The Subscription Receipts will be issued on the Closing Date pursuant to the Subscription Receipt Agreement. The Escrowed Funds will be held by the Escrow Agent, and may be invested in short-term obligations of, or guaranteed by, the Government of Canada (or other approved investments in accordance with the terms of the Subscription Receipt Agreement) pending delivery by the Corporation to Haywood of a certificate to the effect, and Haywood being satisfied that: (i) there is no impediment to completion of the Acquisition, other than the payment of the purchase price, in all material respects in accordance with the terms of the Acquisition Agreement, without material amendment or waiver adverse to the Corporation; and (ii) receipt by the Corporation of all necessary regulatory and other approvals regarding the Offering and the Acquisition (together, the “**Escrow Release Conditions**”). Upon satisfaction of the Escrow Release Conditions on or before the Deadline, the Escrowed Funds and the interest earned thereon, if any (less the remaining portion of the Agency Fee, including the interest earned thereon, if any) will be released to the Corporation upon: (i) receipt of a notice by the Escrow Agent from the Corporation, and acknowledged by Haywood that the Escrow Release Conditions have been satisfied; and (ii) delivery of an irrevocable direction by the Corporation to the Escrow Agent and the registrar and transfer agent of the Common Shares to issue the Underlying Shares and Warrants issuable pursuant to the conversion of the Subscription Receipts to the holders thereof; following which each holder of Subscription Receipts will receive one Underlying Share and one-half of one Warrant for each Subscription Receipt held, without payment of additional consideration or further action on the part of such holder.

Razor will utilize the Escrowed Funds to fund the purchase price of the Acquisition and intends to utilize remaining funds, if any, for Razor’s capital program, including funding short term exploration and development costs and other expenses in respect of the Kaybob Assets. In the event of the Minimum Offering, the Escrowed Funds will be used to fund a portion of the purchase price of the Acquisition. See “*The Acquisition*” and “*Use of Proceeds*”.

If the Acquisition is not completed by the Deadline, or if the Corporation advises Haywood or the Corporation or the Vendor announces to the public that it does not intend to proceed with the Acquisition, or if the Acquisition Agreement has been terminated, holders of Subscription Receipts shall receive an amount equal to the full subscription price attributable to the Subscription Receipts and their *pro rata* entitlement to interest or other income earned on such amount from the Closing Date up to and including the Termination Time, if any. If the Termination Time occurs, the Agency Fee will be reduced to the amount payable upon closing of the Offering.

Upon satisfaction of the Escrow Release Conditions and the issuance of the Underlying Shares and the Warrants, the Corporation will issue a press release announcing that the Acquisition has closed and that the Underlying Shares and the Warrants have been issued.

Under the Subscription Receipt Agreement, original purchasers of Subscription Receipts under the Offering will have a contractual right of rescission against the Corporation both prior to and following the issuance of Underlying Shares

and Warrants issued pursuant to the conversion of the Subscription Receipts to such purchaser to receive the amount paid for the Subscription Receipts if this short form prospectus (including the documents incorporated by reference herein) and any amendment contains a misrepresentation or is not delivered to such purchaser, provided such remedy for rescission is exercised within 180 days of closing of the Offering. This contractual right of rescission will be consistent with the statutory right of rescission described under the heading “*Statutory and Contractual Rights of Withdrawal and Rescission*” in this short form prospectus and is in addition to any right or remedy available to original purchasers under the securities legislation of certain provinces of Canada or otherwise at law.

In the event that, prior to the date the Underlying Shares become issuable pursuant to the Subscription Receipts, there is a subdivision, consolidation, reclassification or other change of the Common Shares or any reorganization, amalgamation, merger or sale of all or substantially all of the Corporation’s assets, the Subscription Receipts will thereafter evidence the right of the holder to receive the securities, property or cash deliverable in exchange for or on conversion of or in respect of the Underlying Shares to which the holder of a Subscription Receipt would have been entitled immediately after such event if it had been a holder of such Underlying Shares prior to such event. Similarly, any distribution to all or substantially all of the holders of Common Shares of rights, options, warrants, evidences of indebtedness or assets will result in an adjustment in the number of Underlying Shares to be issued to holders of Subscription Receipts. Alternatively, such securities, evidences of indebtedness or assets may, at the Corporation’s option, be issued to the Escrow Agent and delivered to holders of Subscription Receipts following the closing of the Acquisition.

The Subscription Receipt Agreement will provide for modifications and alterations thereto and to the Subscription Receipts issued thereunder by way of an extraordinary resolution. The term “extraordinary resolution” will be defined in the Subscription Receipt Agreement to mean, in effect, a resolution passed by the affirmative votes of the holders of not less than 66 2/3% of the number of outstanding Subscription Receipts represented and voted at a meeting of holders or an instrument or instruments in writing signed by the holders of not less than 66 2/3% of the number of outstanding Subscription Receipts.

The TSXV has conditionally approved the listing of: (i) the Subscription Receipts; (ii) the Underlying Shares issuable pursuant to the Subscription Receipts; and (iii) the Warrant Shares issuable on exercise of the Warrants. Such listing is subject to the Corporation fulfilling all of the listing requirements of the TSXV. See “*Risk Factors – Risks Relating to the Offering*”. There is currently no public market for the Subscription Receipts or the Warrants and there can be no assurance that an active trading market will develop.

Holders of Subscription Receipts are not shareholders and do not have rights as the Corporation’s shareholders. Holders of Subscription Receipts are entitled only to receive Underlying Shares and Warrants pursuant to their Subscription Receipts or to a return of the subscription price for the Subscription Receipts together with any payments of interest or other income as described above, if any.

Warrants

The following summary of the material attributes and characteristics of the Warrants and certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject to, and qualified in its entirety by, the detailed provisions of the executed Warrant Indenture between the Corporation and the Warrant Agent to be entered into on or before the time the Escrow Release Conditions are satisfied and the Escrow Release Notice has been delivered in accordance with the provisions of the Subscription Receipt Agreement. The Warrant Indenture will contain a full description of the attributes of the Warrants. Once executed, the Warrant Indenture: (i) will be filed on SEDAR under the issuer profile of Razor at www.sedar.com; and (ii) may be obtained on request without charge from the Chief Financial Officer of the Corporation at Suite 1250, 645 – 7th Avenue S.W., Calgary, Alberta, T2P 4G8, telephone (587) 794-4726. A register of holders of Warrants will be maintained at the principal offices of the Warrant Agent in Calgary, Alberta.

The Warrants will be governed by the Warrant Indenture. Under the Warrant Indenture, each whole Warrant will entitle the holder thereof to acquire, subject to adjustment in accordance with the Warrant Indenture, one Warrant

Share at an exercise price of \$3.50 per Warrant Share at any time prior to 5:00 p.m. (Calgary time) on the date that is 12 months following the closing date of the Acquisition.

The Warrant Indenture is expected to provide, in the event of certain alterations of the Common Shares, that the number of Warrant Shares which may be acquired by a holder of Warrants upon the exercise thereof will be subject to anti-dilution provisions governed by the Warrant Indenture, including provisions for the appropriate adjustment of the class, number and price of the securities issuable under the Warrant Indenture upon the occurrence of certain events including any subdivision, consolidation, or reclassification of the Common Shares, payment of dividends outside of the ordinary course, or amalgamation/merger of the Corporation.

No fractional Warrant Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional Warrant Shares. For greater certainty, and the avoidance of doubt, fractional entitlement to a Warrant Share will be rounded down to the nearest whole Warrant Share. The holding of Warrants will not make the holder thereof a shareholder or entitle such holder to any right or interest in respect of the Warrant Shares except as expressly provided in the Warrant Indenture. Holders of Warrants will not have any voting or pre-emptive rights or any other rights enjoyed by shareholders of the Corporation.

The Corporation is also expected to covenant in the Warrant Indenture, during the period in which the Warrants are exercisable, to give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, a proscribed number of days prior to the record date or effective date, as the case may be, of such event.

The Warrant Indenture is expected to provide that, from time to time, the Warrant Agent and the Corporation, without the consent of the holders of Warrants, may be able to amend or supplement the Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Warrant Indenture or in any deed or indenture supplemental or ancillary to the Warrant Indenture, provided that, in the opinion of the Warrant Agent, relying on counsel, the rights of the holders of Warrants are not prejudiced, as a group.

The Warrant Indenture is also expected to contain provisions making resolutions passed at meetings of the holders of Warrants, or by instruments in writing signed by holders of Warrants holding a specified percentage of the Warrants, binding upon all holders of Warrants. Any amendment or supplement to the Warrant Indenture that is prejudicial to the interests of the holders of Warrants, as a group, is expected to be subject to approval by an “extraordinary resolution”, which is expected to be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll for such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66⅔% of the number of all of the then outstanding Warrants.

The principal transfer office of the Warrant Agent in Calgary, Alberta is the location at which Warrants may be surrendered for exercise or transfer.

The Warrants and the Warrant Shares issuable upon the exercise of the Warrants have not been and will not be registered under the 1933 Act or any state securities laws. The Warrants will not be exercisable by, or on behalf of, a person in the United States or a U.S. Person, nor will any certificates representing the Warrant Shares issuable upon exercise of the Warrants be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the 1933 Act and any applicable state securities laws is available and the Corporation has received an opinion of counsel of recognized standing to such effect in form and substance satisfactory to the Corporation; provided, however, that a holder who is an “accredited investor” (as such term is defined in Rule 501(a) of Regulation D under the U.S. Securities Act) at the time of exercise of the Warrants who purchased Subscription Receipts in the Offering to, or for the account or benefit of, persons in the United States or U.S. Persons will not be

required to deliver an opinion of counsel in connection with the exercise of Warrants that are a part of those Subscription Receipts.

Book-Based System

Except as otherwise provided herein: (i) the Subscription Receipts (or Underlying Shares and Warrants, as applicable) will be issued in electronic form and must be purchased or transferred through a registered dealer who is a Participant; (ii) the Underlying Shares issuable pursuant to the Subscription Receipts and the Warrant Shares issuable on exercise of the Warrants will be issued as non-certificated inventory through the non-certificated inventory system of CDS and must be purchased or transferred through a Participant; and (iii) the Warrants issuable pursuant to the Subscription Receipts will be issued as non-certificated inventory through the non-certificated inventory system of CDS and must be purchased or transferred through a Participant. Purchasers of Securities will not be shown on the records maintained by CDS, except through a Participant (other than as provided below).

Unless the book-based system is terminated or in other circumstances as described below, a person (a “**Beneficial Owner**”) acquiring a beneficial interest in any of the Securities, including, for greater certainty, the Subscription Receipts, the Underlying Shares, the Warrants and the Warrant Shares, will not be entitled to receive a physical certificate for the Securities, unless requested.

Except as provided below, beneficial interests in the Securities will be represented solely through the book-based system and such interests will be evidenced by customer confirmations of purchase from the registered dealer from which the applicable securities are purchased in accordance with the practices and procedures of that registered dealer. In addition, except as provided below, registration of interests in and transfers of the Securities will be made only through the depository service of CDS.

As indirect holders of the Securities, investors should be aware that they (subject to the situations described below): (a) may not have the Securities registered in their name; (b) may not have physical certificates representing their interest in the Securities; (c) may not be able to sell the Securities to institutions required by law to hold physical certificates for securities they own; and (d) may be unable to pledge the Securities as security.

The Securities will be issued to Beneficial Owners thereof in fully registered and certificated form (the “**Certificates**”) only if: (i) required by applicable law; (ii) the book-entry only system ceases to exist; (iii) the Corporation or CDS advises the Escrow Agent that CDS is no longer willing or able to properly discharge its responsibilities as depository with respect to one or more of the Securities and the Corporation is unable to locate a qualified successor; or (iv) the Corporation, at its option, decides to terminate the book-entry only system through CDS. In addition, notwithstanding anything to the contrary contained herein, the Securities issued pursuant to Regulation D under the 1933 Act will be represented by physical, definitive certificates registered in the name of the purchasers thereof or their nominees.

Upon the occurrence of: (i) any of the events described in the immediately preceding paragraph; (ii) the surrender by CDS of the global certificates representing the applicable Securities; and (iii) receipt of instructions from CDS for the new registrations, the Escrow Agent will deliver the applicable global certificates to the Corporation. Thereafter, the Corporation will issue Certificates representing the applicable Securities and the Escrow Agent must notify CDS, for and on behalf of the Participants and Beneficial Owners, of the availability of such Certificates.

Neither the Corporation nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of any of the Securities held by CDS or any payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to any of the Securities held by CDS; or (iii) any advice or representation made by or with respect to CDS and contained in this short form prospectus and relating to the rules governing CDS or any action to be taken by CDS or at the direction of a Participant. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS and Beneficial Owners must look solely to Participants for any payments relating to any of the Securities paid by or on behalf of the Corporation to CDS.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Agents will agree to act as agents of the Corporation for the sale of up to 5,000,000 Subscription Receipts at a price of \$3.00 per Subscription Receipt payable to the Corporation against delivery of the Subscription Receipts. The Offering consists of the Minimum Offering of 3,333,333 Subscription Receipts at the Offering Price for aggregate gross proceeds of not less than \$10,000,000 and the Maximum Offering of up to 5,000,000 Subscription Receipts at the Offering Price for aggregate gross proceeds of up to \$15,000,000. The obligations of the Agents under the Agency Agreement may be terminated at their discretion upon the occurrence of certain stated events as set out in the Agency Agreement and described below.

Razor has agreed to pay the Agency Fee of 6.0% of the gross proceeds of the Offering. The Agency Fee is payable as to 50% upon Closing and 50% (including any interest accrued thereon, if any) upon the release of the Escrowed Funds. If the Acquisition is not completed by the Deadline, or if the Corporation advises Haywood or the Corporation or the Vendor announces to the public that it does not intend to proceed with the Acquisition, or if the Acquisition Agreement has been terminated, the Agency Fee in respect of the Subscription Receipts will be limited to the 50% payable upon Closing. The terms of the Offering, including the Offering Price, were determined by negotiation between the Corporation and Haywood, on its own behalf and on behalf of the other Agents.

The Corporation has granted to the Agents the Over-Allotment Option. Pursuant to the Over-Allotment Option, the Agents may purchase up to an additional 750,000 Subscription Receipts at a price of \$3.00 per Subscription Receipt. The Over-Allotment Option is exercisable at any time for a period of 30 days following the Closing Date. If the Over-Allotment Option is exercised in full, the gross proceeds of the Offering, Agency Fee and net proceeds to the Corporation (after deducting expenses of the Offering) will be \$17,250,000, \$1,035,000 and \$16,215,000, respectively.

This short form prospectus also qualifies the distribution of the Subscription Receipts issuable pursuant to the exercise of the Over-Allotment Option. A purchaser who acquires Subscription Receipts (or Underlying Shares and Warrants, as applicable) forming part of the Agents' over-allocation position acquires those Subscription Receipts (or Underlying Shares and Warrants, as applicable) under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The obligations of the Agents under the Agency Agreement will be several, and not joint, nor joint and several, and may be terminated, without any liability on their respective parts, at their discretion upon the occurrence of certain stated events. Such events include, but not be limited to: (i) any order to cease or suspend trading in any securities of the Corporation, or prohibiting or restricting the distribution of any of the Securities is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, the TSXV or by any other competent authority, and the same has not been rescinded, revoked or withdrawn or such announced, commenced or threatened proceeding has not been terminated or withdrawn; (ii) any inquiry, investigation (whether formal or informal) or other proceeding in relation to the Corporation or any of its directors or senior officers is announced, commenced or threatened by any federal, provincial, state, municipal, other governmental department or any securities commission or similar regulatory authority, the TSXV or by any other competent authority, or there is any change of law, regulation or policy or enactment of a law, regulation or policy or any change in the interpretation or administration thereof if, in the sole opinion of any Agent, acting reasonably, the announcement or commencement or other change, as the case may be, operates or would reasonably be expected to operate to prevent, suspend or restrict the trading or distribution of the Offered Shares or any other securities of the Corporation or otherwise materially adversely affects, or may materially adversely affect, the market price or value of any of the Securities or any other securities of the Corporation and which has not been rescinded, revoked or withdrawn; (iii) there should develop, occur or come into effect or existence any event, action, state, condition (including, without limitation, terrorism or accident) or major financial occurrence of national or international consequence, or any action by government, law or regulation, enquiry or any other occurrence of any nature whatsoever which in the sole opinion of any Agent, acting reasonably, seriously adversely affects, or involves, or

might be expected to seriously adversely affect or involve, the financial markets generally or the business, operations or affairs of the Corporation or the market price or value or marketability of the Securities; (iv) there should occur any change, event, fact or circumstance (actual, contemplated or threatened) or any development that could result in such a change, event, fact or circumstance, any of which, in the sole opinion of any Agent, acting reasonably, could reasonably be expected to have a material adverse effect on the business, operations or affairs of the Corporation or the market price or value or marketability of the Securities; (v) there should occur or be announced or discovered any material change, change of a material fact, occurrence or event of the nature referred to in the Agency Agreement or any development that could result in a material change or a change of a material fact with respect to the Corporation, which, in the sole opinion of the Agent, acting reasonably, would be expected to have a material adverse effect on the business, operations or affairs of the Corporation or the market price of the Securities; (vi) the Agent determines that the Corporation shall be in breach of, default under or non-compliance with any representation, warranty, covenant, term or condition of the Agency Agreement, the Subscription Receipt Agreement or the Acquisition Agreement, in any material respect; (vii) the Termination Time Occurs; or (viii) any Agent becomes aware, as a result of its due diligence review or otherwise, of any adverse material information, fact or change (determined solely by such Agent, acting reasonably) with respect to the Corporation which had not been publicly disclosed or disclosed or made available in writing to the Agents prior to the date hereof or which occurred after the effective date of the Agency Agreement but prior to the Closing Date and which, in the sole opinion of the Agents or any one of them, acting reasonably, could be expected to have a material adverse effect on the market price or value of the Securities or any of the securities of the Corporation. In any of such cases, each Agent may exercise its option to terminate and cancel its obligations to the Corporation under the Agency Agreement.

Furthermore, in addition to the rights of termination set forth above, it is a condition to closing of the Offering in the Agency Agreement that at least the Minimum Offering is completed. See “*Details of the Offering*”.

The Agency Agreement will also provide that the Corporation will indemnify the Agents and their directors, officers, agents, shareholders and employees against certain liabilities, damages, costs and expenses. In addition, Razor’s obligations and the obligations of the Agents under the Agency Agreement to complete the purchase and sale of the Subscription Receipts will terminate automatically if the Acquisition Agreement is terminated or if the Corporation has advised the Agents or the Corporation or the Vendor has announced to the public that the Corporation does not intend to proceed with the Acquisition.

It is expected that Closing will occur on or about May 11, 2017, or such other date as the Corporation and Haywood, on its own behalf and on behalf of the other Agents, may agree, but in any event no later than June 30, 2017.

Pursuant to rules and policy statements of certain securities regulators, the Agents may not, throughout the period of distribution under this short form prospectus, bid for or purchase Common Shares of the Corporation. The foregoing restrictions are subject to certain exceptions including: (i) a bid for or purchase of Common Shares of the Corporation if the bid or purchase is made through the facilities of the TSXV in accordance with applicable marketplace rules; (ii) a bid or purchase on behalf of a client, other than certain prescribed clients, provided that the client’s order was not solicited by the Agent, or if the client’s order was solicited, the solicitation occurred before the period of distribution as prescribed by the rules; and (iii) a bid or purchase to cover a short position entered into prior to the period of distribution as prescribed by the rules.

Subject to applicable laws, the Agents may, in connection with the Offering, effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail on the open market in accordance with applicable stabilization rules. Such transactions, if commenced, may be discontinued at any time.

The Offering is not underwritten or guaranteed by any person. The Agents will conditionally offer the Subscription Receipts (or Underlying Shares and Warrants, as applicable) on a commercially reasonable efforts basis in accordance with the Agency Agreement, and subject to the approval of certain legal matters on behalf of the Corporation by McCarthy Tétrault LLP and on behalf of the Agents by Burstall Winger Zammit LLP. Subject to, among other things,

the completion of the Minimum Offering, subscriptions for Subscription Receipts will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without prior notice. The Agents have reserved the right to form a selling group of appropriately registered dealers and brokers with compensation to be negotiated between the Agents and such selling group participants, but at no additional cost to the Corporation.

The Corporation has agreed that, from the date of the Agency Agreement to the date that is 90 days following the Closing Date, it will not offer or issue, or announce the offering or issuance of, or make any agreement to offer or issue, Common Shares or securities convertible, exchangeable or exercisable into Common Shares (other than: (i) pursuant to the Option Plan and exercise or conversion of any other currently outstanding securities convertible into Common Shares; and (ii) Common Shares and Warrants issuable pursuant to the conversion of the Subscription Receipts in accordance with the terms of the Subscription Receipt Agreement), without the prior written consent of Haywood, which consent shall not be unreasonably withheld or delayed.

It shall be a condition of closing in favour of the Agents that each of the directors, officers and principal shareholders of the Corporation shall agree in a lock-up agreement to be executed concurrently with the Closing, that for a period of 90 days from the Closing Date, each will not, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, lend, swap, or otherwise dispose of, transfer, or announce any intention to do so, any Common Shares, whether now owned directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise, other than pursuant to a take-over bid or any other similar transaction made generally to all of the shareholders of the Corporation.

The TSXV has conditionally approved the listing of: (i) the Subscription Receipts; (ii) the Underlying Shares issuable pursuant to the Subscription Receipts; and (ii) the Warrant Shares issuable on exercise of the Warrants. Such listing is subject to the Corporation fulfilling all of the listing requirements of the TSXV.

The Securities offered hereby have not been and will not be registered under the 1933 Act or any state securities laws, and accordingly may not be offered, sold or delivered to, or for the account or benefit of, persons in the United States or to U.S. Persons except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws. Except as permitted in the Agency Agreement and as expressly permitted by applicable laws of the United States, the Agents will not offer, sell or deliver the Securities to, or for the account or benefit of, persons in the United States or to U.S. Persons. The Agency Agreement permits the Agents to designate “accredited investors”, as defined in Rule 501(a) of Regulation D under the 1933 Act, to whom the Agents acting as agents on behalf of the Corporation may offer the Securities for sale directly by the Corporation in accordance with Section 4(a)(2) of the 1933 Act and Rule 506(b) of Regulation D thereunder and similar exemptions under applicable state securities laws. The Agency Agreement also provides that the Agents will offer and sell the Securities outside the United States to non-U.S. Persons only in accordance with Rule 903 of Regulation S under the 1933 Act.

This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Securities to, or for the account or benefit of, persons in the United States or U.S. Persons. In addition, until 40 days after the commencement of the Offering, any offer or sale of the Securities offered to, or for the account or benefit of, persons in the United States or U.S. Persons by any dealer (whether or not participating in the Offering) may violate the registration requirement of the 1933 Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement of the 1933 Act.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to Razor, and Burstall Winger Zammit LLP, counsel to the Agents, (collectively, “**Counsel**”), the following is a fair and adequate summary of the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to a subscriber who acquires Subscription Receipts pursuant to the Offering and who, for purposes of the Tax Act, holds the Subscription Receipts and will hold the

Underlying Shares and the Warrants issuable pursuant to the Subscription Receipts and the Warrant Shares issuable on the exercise of the Warrants as capital property and deals at arm's length with, and is not affiliated with, the Corporation and the Agents (each such purchaser, a "**Holder**"). Generally, the Securities will be considered to be capital property to a Holder provided the Holder does not hold the Securities in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Resident Holders (as defined below) who might not otherwise be considered to hold their Underlying Shares issued pursuant to the Subscription Receipts and the Warrant Shares issuable on the exercise of the Warrants as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This election is not available in respect of the Subscription Receipts and Warrants.

This summary is not applicable to a Holder: (i) that is a "financial institution", as defined in the Tax Act for purposes of the mark-to-market rules; (ii) an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iii) that is a "specified financial institution" as defined in the Tax Act; (iv) whose functional currency for purposes of the Tax Act is the currency of a country other than Canada; (v) a partnership; or (vi) that has or will enter into a "derivative forward agreement" or a "synthetic equity arrangement" (each as defined in the Tax Act) with respect to the Securities. Any such holder should consult its own tax advisor with respect to an investment in the Securities. In addition, this summary does not address the deductibility of interest by an investor who has borrowed money to acquire the Securities under this Offering.

This summary is based upon the provisions of the Tax Act in force as of the date hereof and Counsel's understanding of the current published administrative and assessing practices of the CRA. Except for specifically proposed amendments (the "**Proposed Amendments**") to the Tax Act that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof, this summary does not take into account or anticipate changes in the income tax law, whether by legislative, governmental or judicial action, nor any changes in the administrative or assessing practices of the CRA.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective purchaser or holder of Securities, and no representations with respect to the income tax consequences to any prospective purchaser or holder are made. Consequently, prospective holders of Securities should consult their own tax advisors with respect to their particular circumstances.

Holders Resident in Canada

The following portion of the summary is generally applicable to a Holder who, at all relevant times, is resident in Canada for the purposes of the Tax Act (a "**Resident Holder**").

Taxation of Resident Holders of Subscription Receipts

Acquisition of Underlying Shares and Warrants Pursuant to Terms of the Subscription Receipts

A Resident Holder will not realize a capital gain or a capital loss on the acquisition of Underlying Shares and Warrants pursuant to a Subscription Receipt.

The aggregate cost of any such Underlying Shares and Warrants acquired pursuant to the Subscription Receipts will generally be equal to the amount paid by such Resident Holder to acquire the Subscription Receipts. The Resident Holder's cost of the Underlying Shares and Warrants must be allocated on a reasonable basis between the Underlying Shares and the Warrants to determine the cost of each to the Resident Holder for purposes of the Tax Act. Of the \$3.00 Offering Price, the Corporation has advised its counsel that it intends to allocate \$2.88 to the Underlying Share and \$0.12 to the one-half Warrant. Although the Corporation believes that such allocation is reasonable, it is not binding on the CRA or any Holder and the CRA may not agree with such allocation. Counsel expresses no opinion with respect to such allocation.

The cost of Underlying Shares issued pursuant to the Subscription Receipts received will generally be averaged with the cost of all other Common Shares held by the Resident Holder as capital property to determine the adjusted cost base of each Common Share held by the Resident Holder.

Other Dispositions of Subscription Receipts

A disposition or deemed disposition by a Resident Holder of Subscription Receipts, other than where such Resident Holder acquires Common Shares pursuant to the Subscription Receipts, but including on the repayment of the subscription price thereof by the Escrow Agent in the event the Acquisition is not completed before the Deadline, will generally result in the Resident Holder realizing a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition are greater (or less) than the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition. The cost to a Resident Holder of a Subscription Receipt will generally be the amount paid to acquire the Subscription Receipt. Such capital gain (or capital loss) will be subject to the tax treatment described below under "*Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*".

In the event that a Resident Holder becomes entitled to the repayment of the subscription price of a Subscription Receipt, any amount that is paid to the holder as, or on account of, interest, if any, and that is included in the Resident Holder's income, will be excluded from the holder's proceeds of disposition of the Subscription Receipts.

Pro Rata Share of Interest

If the Acquisition is not completed by the Deadline, or if the Corporation advises Haywood or announces to the public that it does not intend to proceed with the Acquisition, or if the Acquisition Agreement has been terminated, holders of Subscription Receipts shall be entitled to receive from the Escrow Agent an amount equal to the full subscription price thereof plus their *pro rata* share of interest accrued on the Escrowed Funds, if any.

A Resident Holder that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year the amount of any interest accrued or deemed to have accrued to the Resident Holder on the Escrowed Funds to the end of the Resident Holder's taxation year, or that is receivable or received by the Resident Holder before the end of that taxation year, except to the extent that any such interest was included in computing the Resident Holder's income for a preceding taxation year. However, in certain circumstances an offsetting deduction may be available for any such interest which is not ultimately received by the Resident Holder. Resident Holders should consult their own tax advisors as to whether a Resident Holder would be required to include in income an amount of interest considered to have accrued on the Escrowed Funds to the time of an assignment or transfer of Subscription Receipts.

Any other Resident Holder that is entitled to receive its share of accrued interest, if any, will be required to include in computing income for a taxation year such interest that is received or receivable by the Resident Holder in that taxation year, depending upon the method regularly followed by the Resident Holder in computing income.

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on certain investment income, including interest income.

Taxation of Resident Holders of Common Shares

For the purposes of this portion of the summary, Underlying Shares and Warrant Shares constitute Common Shares unless otherwise expressly noted.

Dividends on Common Shares

Dividends received or deemed to be received on the Common Shares will be included in computing the Resident Holder's income. In the case of a Resident Holder who is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of taxable dividends received

from taxable Canadian corporations (as defined in the Tax Act), including the enhanced gross-up and dividend tax credit applicable to any dividends designated by the Corporation as an eligible dividend in accordance with the provisions of the Tax Act. A dividend received or deemed to be received by a Resident Holder that is a corporation will generally be deductible in computing the corporation's taxable income, subject to all relevant restrictions under the Tax Act.

A Resident Holder that is a private corporation (as defined in the Tax Act), or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts) will generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on Common Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the taxation year.

A Resident Holder that is throughout the taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) will be liable to pay tax, a portion of which may be refundable, on its "aggregate investment income" for the year, including dividends received or deemed to be received in respect of the Common Shares, but not dividends that are deductible in computing taxable income.

Disposition of Common Shares

Generally, a Resident Holder who disposes of or is deemed to have disposed of a Common Share, except to the Corporation, will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Holder of such share immediately before the disposition or deemed disposition. See "*Taxation of Capital Gains and Capital Losses*".

Taxation of Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "taxable capital gain") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "allowable capital loss") realized in a taxation year from taxable capital gains realized by the Resident Holder in the year. Allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such share, to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the year a "Canadian-controlled private corporation" (as defined in the Tax Act) is liable to pay tax, a portion of which may be refundable, on certain investment income, including taxable capital gains.

Taxation of Resident Holders of Warrants

Exercise of Warrants

No gain or loss will be realized by a Resident Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Resident Holder's cost of the Warrant Share acquired thereby will be the aggregate of the Resident Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. Such

cost must be averaged with the adjusted cost base of any other Common Shares held by the Resident Holder to determine the adjusted cost base of each Common Share held at a particular time.

Disposition and Expiry of Warrants

A disposition or deemed disposition by a Resident Holder of a Warrant (other than upon the exercise thereof) will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) such Resident Holder's adjusted cost base of the Warrant. In the event of the expiry of an unexercised Warrant, the Resident Holder will generally realize a capital loss equal to the Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed above under "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, for the purposes of the Tax Act and at all relevant times, is not, and is not deemed to be, resident in Canada and does not use or hold, and is not deemed to use or hold, the Securities in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). This portion of the summary is also not applicable to a Non-Resident Holder that is an insurer carrying on an insurance business in Canada and elsewhere or an "authorized foreign bank" as defined in the Tax Act. Prospective holders of the Securities who are not resident in Canada should consult their own tax advisors with respect to their particular circumstances in their country of residence.

Taxation of Non-Resident Holders of Subscription Receipts

Acquisition of Underlying Shares and Warrants pursuant to terms of the Subscription Receipts

A Non-Resident Holder will not realize a capital gain or loss on the acquisition of a Common Share and one-half of one Warrant pursuant to the conversion of a Subscription Receipt.

Other Dispositions of Subscription Receipts

On a disposition of Subscription Receipts (other than on the acquisition of a Common Shares and Warrants pursuant to the terms of Subscription Receipts as discussed above), a Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder, unless the Subscription Receipt constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the holder is not entitled to relief under an applicable income tax convention.

As long as the Common Shares are listed on a designated stock exchange (which currently includes the TSXV) at the time of disposition, Subscription Receipts will not constitute "taxable Canadian property" to a Non-Resident Holder at the time of the disposition or deemed disposition thereof unless at any particular time during the 60-month period immediately preceding the disposition the following two conditions have been met concurrently: (a) the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal at arm's length (within the meaning of the Tax Act), partnerships in which the Non-Resident Holder or a person with whom the Non-Resident Holder does not deal at arm's length (within the meaning of the Tax Act) holds a membership interest directly or indirectly through one or more partnerships, or any combination thereof owned 25% or more of the issued Common Shares, and (b) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of (i) real or immovable property situated in Canada, (ii) "Canadian resource properties" (as defined in the Tax Act), (iii) "timber resource properties" (as defined in the Tax Act) or (iv) an option, an interest or right in such property, whether or not such property exists (the conditions described in (a) and (b) are the "**TCP Conditions**"). A Non-Resident Holder contemplating a disposition of Subscription Receipts that may constitute taxable Canadian property should consult its own tax advisor prior to such disposition.

Pro Rata Share of Interest

If the Acquisition is not completed by the Deadline, or if the Corporation advises Haywood or announces to the public that it does not intend to proceed with the Acquisition, or if the Acquisition Agreement has been terminated, holders of Subscription Receipts shall be entitled to receive from the Escrow Agent an amount equal to the full subscription price thereof plus their *pro rata* share of interest accrued on the Escrowed Funds, if any. A Non-Resident Holder will generally not be subject to Canadian withholding tax in respect of amounts paid or credited or deemed to have been paid or credited by the Corporation as, on account or in lieu of payment of, or in satisfaction of, any such interest.

Taxation of Non-Resident Holders of Common Shares

For the purposes of this portion of the summary, Underlying Shares and Warrant Shares constitute Common Shares unless otherwise expressly noted.

Dividends on Common Shares

Any dividends paid or credited, or deemed to be paid or credited, on the Common Shares to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend or deemed dividend unless the rate is reduced under the provisions of an applicable income tax convention, which the Non-Resident Holder is entitled to the benefits of, between Canada and the Non-Resident Holder's country of residence. For instance, where the Non-Resident Holder is a resident of the United States that is entitled to full benefits under the *Canada-United States Tax Convention* (1980), as amended, and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%.

Disposition of Common Shares

Provided that a Common Share does not constitute "taxable Canadian property" to a particular Non-Resident Holder, such Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized and will not be entitled to recognize any capital loss incurred by such Non-Resident Holder on the disposition by the Non-Resident Holder of a Common Share. As long as the Common Shares are listed on a designated stock exchange at the time of disposition, the Common Shares should not constitute "taxable Canadian property" to a particular Non-Resident Holder where the TCP Conditions have not been satisfied at any time during the 60 months preceding the disposition

Taxation of Non-Resident Holders of Warrants

Exercise of Warrants

No gain or loss will be realized by a Non-Resident Holder upon the exercise of a Warrant to acquire a Common Share.

Disposition and Expiry of Warrants

Provided that a Warrant does not constitute "taxable Canadian property" to a particular Non-Resident Holder, such Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized and will not be entitled to recognize any capital loss incurred by such Non-Resident Holder on the disposition by the Non-Resident Holder of a Warrant or the expiry thereof. As long as the Common Shares are listed on a designated stock exchange at the time of disposition, the Warrants should not constitute "taxable Canadian property" to a particular Non-Resident Holder where the TCP Conditions have not been satisfied at any time in the 60 months preceding the disposition.

ELIGIBILITY FOR INVESTMENT

In the opinion of Counsel, based on the provisions of the Tax Act in force on the date hereof, the Subscription Receipts will be qualified investments at the time of acquisition by a trust governed by a registered retirement savings

plan (“RRSP”), registered retirement income fund (“RRIF”), deferred profit sharing plan, registered education savings plan (“RESP”), registered disability savings plan (“RDSP”), or a tax-free savings account (“TFSA”), each as defined in the Tax Act (each a “Plan”) provided that, at the time of the acquisition by the Plan, the Common Shares are listed on a designated stock exchange (which currently includes the TSXV) at that time and the Corporation deals at arm’s length with each person who is an annuitant, a beneficiary, an employer or a subscriber under such Plan.

Provided the Common Shares issuable pursuant to the Subscription Receipts are listed on a designated stock exchange at the time such Common Shares are issued, such Common Shares will be qualified investments under the Tax Act for the Plans at such time.

Provided the Common Shares are listed on a designated stock exchange at the time Warrants issuable pursuant to the Subscription Receipts are issued, such Warrants will be qualified investments under the Tax Act for the Plans at such time provided that the Corporation deals at arm’s length with each person who is an annuitant, a beneficiary, an employee or a subscriber under such Plan.

Notwithstanding that the Securities may be qualified investments for a trust governed by a TFSA, RRSP or RRIF, the holder of a TFSA or the annuitant of an RRSP or RRIF will be subject to a penalty tax on the Securities and other tax consequences may result if the Securities are a “prohibited investment” for the TFSA, RRSP or RRIF, as the case may be. The Securities will not be a “prohibited investment” if the holder of a TFSA or the annuitant of an RRSP or RRIF as the case may be, deals at arm’s length with the Corporation for purposes of the Tax Act and does not have a “significant interest” (as defined in the Tax Act) in the Corporation. In addition, Common Shares will not be a “prohibited investment” if such shares are “excluded property” (as defined in the Tax Act) for trusts governed by such RRSP, RRIF or TFSA.

On March 22, 2017, the Minister of Finance (Canada) announced Proposed Amendments to amend the Tax Act to extend the “prohibited investment” rules and corresponding provisions, which are currently applicable to RRSPs, RRIFs and TFSAs and the annuitants or holders thereof, as the case may be, to RESPs and RDSPs and the subscribers or holders thereof, as the case may be. The Proposed Amendments are intended to apply to transactions occurring and investments acquired after March 22, 2017, subject to certain transitional rules.

Prospective investors who intend to hold the Securities in Plans should consult their own tax advisors regarding their particular circumstances and requirements and rules regarding holding and transferring Securities therein.

RISK FACTORS

An investment in Subscription Receipts (or Underlying Shares and Warrants, as applicable) involves a number of risks. Before investing, prospective purchasers of the Securities should carefully consider, in light of their own financial circumstances, the factors set out below, as well as other information and risk factors contained in or incorporated by reference in this short form prospectus, including those risk factors set forth under the heading “*Risk Factors*” at pages 27 through 39, inclusive, of the AIF, and those risk factors set forth under the heading “*Disclosure Regarding Forward-Looking Statements*” in the Annual MD&A, which is incorporated by reference herein.

Possible Failure to Realize Anticipated Benefits of the Acquisition

The Corporation is proposing to complete the Acquisition to strengthen Razor’s position in the oil and natural gas industry and to create the opportunity to realize certain benefits. Achieving the benefits of the Acquisition depends in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Corporation’s ability to realize the anticipated growth opportunities and synergies from integrating the Kaybob Assets into Razor’s existing portfolio of properties. The integration of the Kaybob Assets requires the dedication of substantial management effort, time and resources, which may divert management’s focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee

relationships that may adversely affect the Corporation's ability to achieve the anticipated benefits of the Acquisition. See "*The Acquisition*".

Possible Failure to Complete the Acquisition

The Acquisition is subject to the satisfaction of the conditions described herein and normal commercial risk that the Acquisition may not be completed on the terms negotiated or at all. If closing of the Acquisition does not take place by the Deadline, the Escrow Agent will repay to holders of Subscription Receipts an amount equal to the issue price therefore plus a *pro rata* share of the interest earned on the Escrowed Funds, if any. In that case, the total return that a purchaser of Subscription Receipts would be entitled to receive would be limited to the purchaser's *pro rata* share of interest earned on the subscription price for such purchaser's Subscription Receipts, if any. The purchaser would not be entitled to participate in any growth in the trading price of the Common Shares. Further, the purchaser would be restricted from using the funds devoted to the acquisition of the Subscription Receipts for any other investment opportunities until the Escrowed Funds are returned to the purchaser. See "*The Acquisition*".

Legal Proceedings

The Corporation is named as a defendant in a statement of claim filed by Malibu Energy Ltd., Topanga Resources Ltd. and North Shore Petroleum Ltd. (the "**Plaintiffs**") commencing an action (the "**Action**") in the Court of Queen's Bench of Alberta against the Corporation and its Chief Executive Officer (the "**Razor Defendants**"), Jett and others. As against the Razor Defendants, the Plaintiffs allege, in essence, that the Razor Defendants were provided with confidential information by certain other defendants about certain petroleum and natural gas assets that the Vendor had agreed (subject to certain conditions) to sell to the Plaintiffs. The Plaintiffs seek, among other things, an interlocutory and permanent injunction restraining Razor from acquiring the Kaybob Assets. See "*Legal Proceedings and Regulatory Actions*" in the AIF for further details regarding the Action.

While management of the Corporation does not believe that the Action will have a material effect on the business or financial condition of the Corporation or the completion of or anticipated material benefits of the Acquisition, no assurance can be given as to the final outcome of this or any other legal proceedings or that the ultimate resolution of this or any other legal proceedings will not have a material adverse effect on the Corporation.

In the event that the Action would be determined in a manner adverse to the Corporation, it could have a material adverse effect on the Corporation's business, financial condition and results of operations or the anticipated benefits to the Corporation of the Acquisition (including the possibility that the Acquisition is not completed at all or is completed only in part). Although the Corporation is of the view that an injunction is unlikely to be granted to prohibit the Acquisition described in the Action, no assurance can be given to that effect.

Potential Undisclosed Liabilities Associated with the Acquisition

In connection with the Acquisition, there may be liabilities that Razor failed to discover or was unable to quantify in the Corporation's due diligence which the Corporation conducted prior to the execution of the Acquisition Agreement and Razor may not be indemnified for some or all of these liabilities.

Information provided by the Vendor

All information relating to the Kaybob Assets in this short form prospectus (other than the Kaybob Assets Reserves Report which was prepared by Sproule, and the operating statements of the Kaybob Assets set forth in Schedule A, which were prepared by management of the Corporation and audited by Ernst & Young LLP) is based on public filings by the Vendor or has otherwise been provided by the Vendor to the Corporation in accordance with the terms of the Acquisition Agreement. Although the Corporation has conducted what it believes to be a prudent and thorough level of investigation in connection with the Acquisition, an unavoidable level of risk remains regarding the accuracy and completeness of such information.

Historical and Pro Forma Financial and Operating Information

The historical operating information relating to the Kaybob Assets and the Swan Hills Assets included in this short form prospectus, including the operating statements attached as Schedule A and such information used to prepare the *pro forma* operating information (including the unaudited *pro forma* operating statements attached as Schedule B to this short form prospectus), has been derived on a historical basis from the historical accounting and other records of the Vendor. The historical operating information may not reflect what the financial or operating results of the Kaybob Assets and the Swan Hills Assets would have been had the Corporation owned the Kaybob Assets and the Swan Hills Assets during the period presented or what the Corporation's operating results will be in the future. Unless specifically noted otherwise, the historical operating information does not contain any adjustments to reflect changes that may occur in the Corporation's operations as a result of the Acquisition. The assumptions and estimates underlying the *pro forma* operating information may be materially different from the Corporation's actual experience going forward. See "*Special Note Regarding Forward-Looking Statements*".

Acquisitions Require Engineering, Title, Environmental and Economic Assessments that may be Materially Incorrect

Acquisitions of oil and natural gas properties or companies are based in large part on engineering, environmental and economic assessments made by the acquiror, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and natural gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and gas and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the Corporation's control. All such assessments involve a measure of geologic, engineering, environmental and regulatory uncertainty that could result in lower production and reserves or higher operating or capital expenditures than anticipated.

Although title and environmental reviews are conducted prior to any purchase of resource assets, such reviews cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat the Corporation's title to certain assets or that environmental defects or deficiencies do not exist.

The Kaybob Assets Reserves Report was prepared for the Vendor and the Corporation is unable to assess the Vendor's procedures for providing information to Sproule or for assembling and reporting other information to Sproule associated with the Kaybob Assets.

Operational, Environmental and Reserves Risks Relating to the Acquisition

The risk factors set forth in the AIF and in this short form prospectus relating to the oil and natural gas business, environmental and Razor's operations and reserves apply equally in respect of the Kaybob Assets.

Completion of the Offering

Although the Corporation has entered into the Agency Agreement with the Agents, there is no guarantee that all of the conditions to the completion of the Offering will be satisfied, including the Minimum Offering, in which case the Corporation may not have sufficient financing to complete the Acquisition.

Use of Proceeds

As set out under "*Use of Proceeds*" in this short form prospectus, upon release of the Escrowed Proceeds from escrow by the Escrow Agent to the Corporation, the Corporation intends to use the net proceeds from the Offering to fund the purchase price of the Acquisition and intends to utilize remaining funds, if any, for Razor's capital program, including funding short term exploration and development costs and other expenses in respect of the Kaybob Assets. In the event of the Minimum Offering, the additional amounts required to complete the Acquisition will be funded by the Corporation's available cash.

Although this allocation is based on the current expectations of management of the Corporation, there may be circumstances where, for business reasons, a reallocation of funds may be necessary as may be determined at the discretion of the Corporation and there can be no assurance as of the date of this short form prospectus as to how those funds may be reallocated. The failure to apply these funds effectively could affect the success of the Corporation's business.

Loan Risk

The Corporation is required to comply with covenants under the Term Loan Facility which include certain financial ratio tests, which from time to time either affect the availability, or price, of additional funding, and in the event that the Corporation does not comply therewith its access to capital could be restricted or repayment could be required. The failure of the Corporation to comply with such covenants, which may be affected by events beyond the Corporation's control, could result in the default under the Term Loan Facility which could result in the Corporation being required to repay amounts owing thereunder. Even if the Corporation is able to obtain new financing, it may not be on commercially reasonable terms or terms that are acceptable to the Corporation. If the Corporation is unable to repay amounts owing, the lender under the Term Loan Facility could proceed to foreclose or otherwise realize upon the collateral granted to it to secure the indebtedness. The acceleration of the Corporation's indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross default or cross-acceleration provisions. In addition, the Term Loan Facility may, from time to time, impose operating and financial restrictions on the Corporation that could include restrictions on the payment of dividends, repurchase or making of other distributions with respect to the Corporation's securities, incurring of additional indebtedness, provision of guarantees, the assumption of loans, making of capital expenditures, entering into of amalgamations, mergers, take-over bids or disposition of assets, among others.

Additional Financing

The Corporation may require future financing through the issuance of equity or debt or increase in borrowings to fund its future exploration, development, operations and acquisitions. There can be no assurance that additional financing will be available to the Corporation when needed, on terms acceptable to the Corporation or at all. The Corporation's inability to raise funds to support ongoing operations and to fund capital expenditures or acquisitions may limit its growth or may have a material adverse effect upon the Corporation. No assurance can be given regarding the size of future equity or debt issuances or borrowings or the effect, if any, that such activities may have on the market price of the Common Shares. The Corporation may complete additional equity financings, which may have a dilutive effect on holdings of shareholders of the Corporation.

Impact of Future Financings

In order to finance future operations, the Corporation may raise funds through the issuance of Common Shares or the issuance of debt instruments or securities convertible into Common Shares. The Corporation cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares or the effect, if any, that future issuances and sales of the Corporation's securities will have on the market price of the Common Shares.

Significant Transaction and Related Costs

The Corporation expects to incur a number of costs associated with completing the Acquisition and integrating the Kaybob Assets. The substantial majority of such costs will consist of transaction costs related to the Acquisition, facilities and systems consolidation costs and employment-related costs. Additional unanticipated costs may be incurred in the integration of the Kaybob Assets into the Corporation's business.

Subscription Receipt Structure

The holders of Subscription Receipts will receive Underlying Shares and Warrants upon the satisfaction of the Escrow Release Conditions. Subject to the terms of the Agency Agreement, the Corporation may waive certain closing conditions in its favour in the Acquisition Agreement or agree to amend the Acquisition Agreement and consummate the Acquisition on terms that may be different from those described in this short form prospectus. As a result, the expected benefits of the Acquisition may not be fully realized. As a consequence, holders of Subscription Receipts will essentially assume the same risk as though they had invested directly in Common Shares on the Closing Date.

Weakness in the Oil and Gas Industry

Recent market events and conditions, including global excess oil and natural gas supply, recent actions taken by the Organization of the Petroleum Exporting Countries, slowing growth in China and other emerging economies, market volatility and disruptions in Asia, and sovereign debt levels in various countries, have caused significant weakness and volatility in commodity prices. These events and conditions have caused a significant decrease in the valuation of oil and gas companies and a decrease in confidence in the oil and gas industry. These difficulties have been exacerbated in Canada by the recent changes in government at a federal level and, in the case of Alberta, at the provincial level, and the resultant uncertainty surrounding regulatory, tax and royalty changes that may be implemented by the new governments. In addition, the inability to get the necessary approvals to build pipelines and other facilities to provide better access to markets for the oil and gas industry in western Canada has led to additional uncertainty and reduced confidence in the oil and gas industry in western Canada. Lower commodity prices may also affect the volume and value of the Corporation's reserves especially as certain reserves become uneconomic. In addition, lower commodity prices have reduced, and are anticipated to continue to reduce, the Corporation's cash flow which could result in a reduced capital expenditure budget. As a result, the Corporation may not be able to replace its production with additional reserves and both the Corporation's production and reserves could be reduced on a year over year basis. Given the current market conditions and the lack of confidence in the Canadian oil and gas industry, the Corporation may have difficulty raising additional funds in the future or if it is able to do so, it may be on unfavourable and highly dilutive terms.

Effect of Commodity Prices on Operational and Financial Results

The Corporation's operational and financial results are dependent on the prices received for oil and natural gas production. Any substantial and extended decline in the price of oil and natural gas has had and, if such trends continue, will have an adverse effect on, among other things, the Corporation's revenues and financial condition. See also "*Risk Factors – Commodity Price Volatility, Markets and Marketing*" in the AIF.

Volatility of Market Price of Common Shares

The market price of the Common Shares, including the Underlying Shares issuable pursuant to the Subscription Receipts and the Warrant Shares issuable on the exercise of the Warrants, may be volatile. The volatility may affect the ability of holders to sell the Underlying Shares issued pursuant to the Subscription Receipts and the Warrant Shares issuable on the exercise of the Warrants at an advantageous price. Market price fluctuations in the Common Shares may be due to the Corporation's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "*Special Note Regarding Forward-Looking Statements*". In addition, the market price for securities in the stock markets, including the TSXV, recently experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market prices of the Common Shares.

Market for Securities

The TSXV has conditionally approved the listing of: (i) the Subscription Receipts; (ii) the Underlying Shares issuable pursuant to the Subscription Receipts; and (iii) the Warrant Shares issuable on exercise of the Warrants. Such listing is subject to the Corporation fulfilling all of the listing requirements of the TSXV. However, there is currently no market through which the Subscription Receipts or Warrants may be sold and there is no guarantee that an active trading market will develop. Accordingly, purchasers may not be able to resell the Subscription Receipts or Warrants distributed under this short form prospectus. This may affect the pricing of the Subscription Receipts on the TSXV and of the Warrants in the secondary market, the transparency and the availability of trading prices and the liquidity of the securities. There can be no assurance that an active trading market will develop for the Subscription Receipts or Warrants after the Offering, or if developed, that such a market will be sustained at the price level of the Offering.

Forward-Looking Statements and FOFI may Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information included in this short form prospectus or the documents incorporated by reference in this short form prospectus, including the forward-looking information under “*Recent Developments*” and “*The Acquisition*”. By their nature, forward-looking information and FOFI involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information and/or FOFI or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Some of the FOFI presented in this short form prospectus is based upon the completion of the Acquisition and the Offering and if any of these transactions are not completed or not completed on the terms or timelines contemplated, this will impact the forward looking FOFI provided herein and such impact may be material. See “*Special Note Regarding Forward-Looking Statements*”.

RELATIONSHIP BETWEEN THE CORPORATION AND CERTAIN OF THE AGENTS

Haywood acted as financial advisor and Jett acted as strategic advisor to the Corporation with respect to the Offering, and in addition, Canaccord acted as financial advisor and Eight Capital acted as strategic advisor to the Corporation in connection with the Acquisition and accordingly, each will receive a fee upon the closing of the Acquisition. Consequently, although each fee, which is payable in cash, is not material to the Corporation, the Corporation may nevertheless be considered a “connected issuer” of Haywood, Jett, Canaccord and Eight Capital within the meaning of applicable Canadian securities laws as a result.

INTERESTS OF EXPERTS

Certain legal matters relating to the Offering will be passed upon by McCarthy Tétrault LLP, on behalf of the Corporation, and by Burstall Winger Zammit LLP, on behalf of the Agents. The partners and associates of McCarthy Tétrault LLP, as a group, own, directly or indirectly, less than 1% of the outstanding Common Shares and the partners and associates of Burstall Winger Zammit LLP, as a group, own, directly or indirectly, less than 1% of the outstanding Common Shares. In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation except as disclosed under “*Directors and Officers*” in the AIF.

Certain reserve estimates in this short form prospectus and incorporated by reference in this short form prospectus are derived from reserve reports prepared by Sproule. As of the date hereof, Sproule, and the partners of Sproule, do not beneficially own, directly or indirectly, any Common Shares.

Ernst & Young LLP is the auditor of the Kaybob Assets and the Swan Hills Assets and has confirmed that it is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta.

STATUTORY AND CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In addition, under the Subscription Receipt Agreement, original purchasers of Subscription Receipts will have a contractual right of rescission against the Corporation both prior to and following the issuance of the Underlying Shares and Warrants issued pursuant to the Subscription Receipts to such purchasers to receive the amount paid for the Subscription Receipts if this short form prospectus (including the documents incorporated by reference herein) and any amendment contains a misrepresentation or is not delivered to such purchaser, provided such remedy for rescission is exercised within 180 days of closing of the Offering. This contractual right of rescission will be consistent with the statutory right of rescission described above and in addition to any right or remedy available to original purchasers under the securities legislation of certain provinces of Canada or otherwise.

SCHEDULE A
OPERATING STATEMENTS OF THE KAYBOB ASSETS

Operating Statement for:

Razor Energy Corp.
Kaybob Properties to be Acquired

For the years ended December 31, 2016 and 2015

INDEPENDENT AUDITORS' REPORT

To the Directors of **Razor Energy Corp.**

We have audited the accompanying operating statement containing revenues, royalty expenses and production costs and operating income of the Kaybob Properties to be acquired by Razor Energy Corp., for the year ended December 31, 2016, and a summary of significant accounting policies and other explanatory information (together "the operating statement").

Management's responsibility for the operating statement

Management of Razor Energy Corp. is responsible for the preparation of this operating statement of the Kaybob Properties to be acquired by Razor Energy Corp. in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for business statements that are an operating income reported in the operating statement of an oil and gas property, and for such internal control as management determines is necessary to enable the preparation of the operating statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the operating statement based on our audit. We conducted our audits in accordance with Canadian Generally Accepted Auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the operating statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the operating statement. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the operating statement. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the operating statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the operating statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the operating statement.

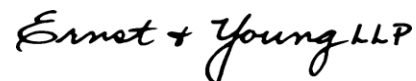
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the operating statement of the Kaybob Properties to be acquired by Razor Energy Corp for the year ended December 31, 2016 was prepared, in all material respects, in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for business statements that are an operating income reported in the operating statement of an oil and gas property.

Calgary, Canada

March 30, 2017

The signature of Ernst & Young LLP is written in a cursive, handwritten style in black ink.

Chartered Professional Accountants

RAZOR ENERGY CORP.
KAYBOB PROPERTIES TO BE ACQUIRED BY RAZOR ENERGY CORP.
Operating Statement

For the years ended December 31, 2016 and 2015

	Year ended December 31, 2016 (Audited)		Year ended December 31, 2015 (unaudited)
<hr/>			
Revenues:			
Petroleum and natural gas	\$ 10,173,308	\$	14,558,236
Royalties	(2,532,011)		(3,671,319)
	<hr/> 7,641,297		10,886,917
Expenses:			
Operating	(5,598,153)		(7,834,150)
Operating income	<hr/> \$ 2,043,144	\$	3,052,767
			<hr/>

See accompanying notes to the operating statements.

RAZOR ENERGY CORP.

KAYBOB PROPERTIES TO BE ACQUIRED BY RAZOR ENERGY CORP.

Notes to the Operating Statement

For the years ended December 31, 2016 and 2015 (audited)

1. BASIS OF PRESENTATION

The operating statement reflects the revenue, royalties and operating expenses and operating income of certain petroleum and natural gas properties (the “Kaybob Properties”) acquired from an oil and gas company (the “Vendor”) for the years ended December 31, 2016 and 2015 and accordingly, do not present the complete revenues and expenses related to these properties.

The operating statement has been prepared by management of Razor Energy Corp. from the records of the Vendor of the Kaybob Properties and includes only working interest revenues, royalties and operating expenses directly related to the Kaybob Properties. The operating statements does not include any provision for impairment, depletion and depreciation, accretion of decommissioning obligations, future capital costs, general and administrative expenses and income taxes for the Kaybob Properties.

The operating statement has been prepared in accordance with the financial reporting frameworks specified in subsection 3.11(5) of National Instrument 52-107 – Acceptable Accounting Principles and Auditing Standards for business statements that are an operating income reported in the operating statement of an oil and gas property. The line items in the statement has been prepared in all material respects using the accounting policies that are permitted by International Financial Reporting Standards (“IFRS”) with such accounting policies applying to those line items as if such line items were presented as part of a complete set of financial statements. Accordingly, the statement, prepared from the records of the Vendor of the properties, include the following line items: revenue, royalties, production costs and net operating income. The statement has been prepared on a production month basis (as opposed to a fiscal month basis).

2. SIGNIFICANT ACCOUNTING POLICIES

(A) Revenue recognition

Revenues from the sale of crude oil, natural gas and natural gas liquids are recorded when title passes to an external third party. Oil and natural gas revenues are based on realized prices determined at the field level and do not reflect any of the vendors corporate marketing activities. Revenues do not include any amounts from financial derivative contracts.

(B) Royalties

Royalties are recorded at the time the product is produced and sold. Royalties are calculated in accordance with the applicable regulations and/or terms of individual royalty agreements.

(C) Operating expenses

Operating expenses include all the costs related to the lifting, gathering, processing and delivery to a sales point of the petroleum and natural gas.

(D) Joint operations

Substantially all of the Kaybob Properties are operated through joint ventures. The statements reflect only the Vendor’s proportionate interest in the Kaybob Properties.

SCHEDULE B
UNAUDITED PRO FORMA OPERATING STATEMENTS OF THE CORPORATION

Pro Forma Operating Statement of

RAZOR ENERGY CORP.

(formerly Vector Resources Inc.)

For the year ended December 31, 2016

RAZOR ENERGY CORP.

(formerly Vector Resources Inc.)

Pro Forma Operating Statement
For the Year ended December 31, 2016
(Unaudited)
(in thousands of Canadian dollars)

	Razor Energy Corp. (formerly Vector Resources Inc.)	Razor Energy Corp.	Kaybob Property	Pro Forma Razor Energy Corp. (formerly Vector Resources Inc.
Revenues				
Petroleum and natural gas	\$ -	\$ -	\$ 10,173	\$ 10,173
Royalties	-	-	(2,532)	(2,532)
	-	-	7,641	7,641
Expenses				
Operating	-	-	5,598	5,598
Net operating income (loss)	\$ -	\$ -	\$ 2,043	\$ 2,043

See accompanying notes to the pro forma operating statement.

RAZOR ENERGY CORP.

(formerly Vector Resources Inc.)

Notes to the Pro Forma Operating Statement
For the year ended December 31, 2016
(Unaudited)
(in thousands of Canadian dollars)

1. BASIS OF PRESENTATION

The accompanying unaudited pro forma operating statement of Razor Energy Corp. (formerly Vector Resources Inc.) ("Razor" or the "Company"), for the year ended December 31, 2016 (the "pro forma operating statement") has been prepared to reflect the following:

- Razor's acquisition of all of the issued and outstanding common shares of a private Alberta corporation, Razor Energy Corp. ("Razor Private") by way of a plan of arrangement which closed on January 31, 2017. The arrangement constituted the qualifying transaction of the Company pursuant to the policies of the TSX Venture Exchange. Razor Private had no operations.
- The proposed acquisition of certain petroleum and natural gas properties in the Kaybob area (the "Kaybob Property"), which is scheduled to close on or around May 24, 2017.

The unaudited pro forma operating statements have been prepared from information derived from the following:

- The audited financial statements of Razor for the year ended December 31, 2016
- The audited financial statements of Razor Private for the year ended December 31, 2016
- The audited operating statement of the Kaybob Property for the year ended December 31, 2016.

The unaudited pro forma operating statement has been prepared in all respects using accounting policies that are permitted by International Financial Reporting Standards ("IFRS") applicable to publicly accountable enterprises, with such accounting policies applying to those line items as if such line items were presented as part of a complete set of financial statements. This unaudited pro forma operating statement is prepared in accordance with the financial reporting framework specified in subsection 3.14 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for pro forma operating statements.

Accordingly, the unaudited pro forma operating statement does not include any provision for depletion and depreciation, accretion of decommissioning obligations, capital costs, impairment of properties, general and administrative expenses, or income taxes as these amounts are based on the consolidated operations of Razor.

The unaudited pro forma operating statement gives effect to the transactions as if they had occurred on January 1, 2016. The unaudited pro forma operating statement may not be indicative of the results that actually would have occurred if the events reflected therein had been in effect on the date indicated or of the results which may be obtained in the future.

RAZOR ENERGY CORP.

(formerly Vector Resources Inc.)

Notes to the Pro Forma Operating Statement

For the year ended December 31, 2016

(Unaudited)

(in thousands of Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Revenues from the sale of crude oil, natural gas and natural gas liquids are recorded when title passes to an external third party. Oil and natural gas revenues are based on realized prices determined at the field level and do not reflect any of the vendors corporate marketing activities. Revenues do not include any amounts from financial derivative contracts.

Royalties

Royalties are recorded at the time the product is produced and sold. Royalties are calculated in accordance with the applicable regulations and/or the terms of individual royalty agreements.

Operating Expenses

Operating expenses include all the costs related to the lifting, gathering, processing and delivery to a sales point of the petroleum and natural gas.

Jointly Owned Assets

The operating statements only reflect the proportionate interest acquired or expected to be acquired by Razor for those properties operated through jointly owned assets.

CERTIFICATE OF THE CORPORATION

Dated: May 4, 2017

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of Alberta, British Columbia and Ontario.

RAZOR ENERGY CORP.

(signed) “*Doug Bailey*”
President and Chief Executive Officer

(signed) “*Kevin Braun*”
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF RAZOR ENERGY CORP.

(signed) “*Vick Saxon*”
Director

(signed) “*Sonny Mottahed*”
Director

CERTIFICATE OF THE AGENTS

Dated: May 4, 2017

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of Alberta, British Columbia and Ontario.

Haywood Securities Inc.

(signed) "*Victor Rodberg*"

Canaccord Genuity Corp.

(signed) "*Neil Duffy*"

Eight Capital

(signed) "*Tony P. Loria*"

National Bank Financial Inc.

(signed) "*Chris Muldoon*"

Acumen Capital Finance Partners Limited

(signed) "*Ian Thomson*"

Macquarie Capital Markets Canada Ltd.

(signed) "*Daniel J. Cristall*"

CERTIFICATE OF THE PROMOTER

Dated: May 4, 2017

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of Alberta, British Columbia and Ontario.

(signed) "Doug Bailey"

Doug Bailey