

UNDERWRITING AGREEMENT

February 23, 2022

Source Rock Royalties Ltd.
3000, 421 – 7th Ave S.W.
Calgary, Alberta T2P 4K9

Attention: Brad Docherty, President and Chief Executive Officer

Dear Sir:

The undersigned, PI Financial Corp. and Acumen Capital Finance Partners Limited (together, the “**Co-Lead Underwriters**”), together with Haywood Securities Inc., Canaccord Genuity Corp. and ATB Capital Markets Inc. (collectively with the Co-Lead Underwriters, the “**Underwriters**”) understand that Source Rock Royalties Ltd. (“**Source Rock**” or the “**Corporation**”) proposes to issue and sell to the Underwriters 13,334,000 units of the Corporation (the “**Units**”), each Unit consisting of one common share in the capital of the Corporation (the “**Common Shares**”) and one-half of one common share purchase warrant in the capital of the Corporation (each whole warrant, a “**Warrant**”), with each whole Warrant entitling the holder thereof to purchase one common share in the capital of the Corporation (each a “**Warrant Share**”) at any time prior to 5:00 p.m. (Calgary time) on the date that is 24 months following the Closing Date (as defined herein) upon payment of the exercise price of \$1.25 per Warrant Share. The Warrants will be governed by the Warrant Indenture (as defined herein). The description of the Warrants in this Agreement is a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in the Warrant Indenture. In case of any inconsistency between the description of the Warrants in this Agreement and the terms of the Warrants set forth in the Warrant Indenture, the provisions of the Warrant Indenture will govern. The Units will immediately separate into Common Shares and Warrants upon closing of the offering.

The Underwriters propose to distribute the Units and the Additional Units (as defined herein), if any, in the Qualifying Jurisdictions (as defined herein) pursuant to the Final Prospectus and in the United States on a private placement basis in accordance with the exemption from the registration requirement of the U.S. Securities Act (as defined herein) provided by Rule 144A to persons the Underwriters reasonably believe to be Qualified Investment Buyers, all in the manner contemplated by this Agreement (including Schedule “A” hereto, the terms and conditions of which are incorporated herein by reference and form a part of this Agreement) and as permitted by Canadian Securities Laws (as defined herein) and applicable state securities laws of the United States.

Based on the foregoing, and subject to the terms and conditions contained in this Agreement, the Underwriters, severally and not jointly nor jointly and severally, on the basis of the percentages set forth in Section 22 opposite the names of such Underwriters (subject to such adjustments to eliminate fractional shares as the Co-Lead Underwriters may determine), agree to purchase from the Corporation, and the Corporation, by its acceptance hereof, agrees to issue and sell to the Underwriters, all but not less than all of the Units, at the Closing Time (as defined herein) at a price of \$0.90 per Unit (the “**Offering Price**”), for aggregate gross proceeds of \$12,000,600.

Subject to applicable laws and without affecting the firm obligation of the Underwriters to purchase the Units from the Corporation at the Offering Price in accordance with this Agreement, after the Underwriters have made a reasonable effort to sell all of the Units at the Offering Price specified

herein, the offering price to the public may be decreased and further changed from time to time to an amount not greater than the Offering Price. Such decrease or further change in the offering price to the public will not affect the proceeds received by the Corporation. The Underwriters will promptly inform the Corporation if the offering price to the public is decreased.

By acceptance of this Agreement, the Corporation grants to the Underwriters an option (the **"Over-Allotment Option"**) to purchase, severally and not jointly nor jointly and severally, on the basis set forth below, in whole or in part and at any time on or before the date that is 30 days following the Closing Date (as defined herein), up to 2,000,100 additional Units from the Corporation (the **"Additional Units"**) at the Option Closing Time (as defined herein), each Additional Unit consisting of one Common Share (the **"Additional Common Shares"**) in the capital of the Corporation and one-half of one Warrant (each whole Warrant, an **"Additional Warrant"**), representing up to 15% of the aggregate number of Units, at the Offering Price and upon the terms and conditions set forth herein for the purposes of covering over-allotments and for market stabilization purposes. The additional common shares of the Corporation issuable upon the exercise of Additional Warrants are hereinafter referred to as the **"Additional Warrant Shares"**, and together with the Additional Units, Additional Warrants and the Additional Common Shares, the **"Additional Securities"**. The Over-Allotment Option may be exercised by the Underwriters to acquire: (i) Additional Units at the Offering Price; (ii) Additional Common Shares at a price of \$0.88 per Additional Common Share; (iii) additional Warrants at a price of \$0.04 per Additional Warrant; or (iv) any combination of Additional Units, Additional Common Shares and Additional Warrants, so long as the aggregate number of Common Shares and Warrants which may be issued under the Over-Allotment Option does not exceed 2,000,100 Common Shares and 1,000,050 Warrants.

Unless the context otherwise requires, all references to "Units" shall assume the exercise of the Over-Allotment Option, and shall include the Additional Securities issuable upon the exercise thereof, as applicable.

If the Co-Lead Underwriters, on behalf of the Underwriters, elect to exercise all or any portion of the Over-Allotment Option, the Co-Lead Underwriters shall provide written notice (the **"Exercise Notice"**) to the Corporation, which Exercise Notice shall specify the number of Additional Securities to be purchased by the Underwriters and the date on which such Additional Securities are to be purchased (an **"Option Closing Date"**). The Option Closing Date may be the same as the Closing Date but not earlier than the Closing Date nor later than the 30th day after the Closing Date, and shall be at least two Business Days (as defined herein), but not more than five Business Days, after the date on which the Exercise Notice is delivered to the Corporation. If any Additional Securities are purchased from the Corporation, each Underwriter agrees, severally and not jointly nor jointly and severally, to purchase such portion of the Additional Securities (subject to such adjustments to eliminate fractional shares as the Co-Lead Underwriters may determine) as is set out in Section 22 opposite the name of such Underwriter.

Subject to the terms and conditions set out in this Agreement, the Underwriters propose to distribute the Units in the Qualifying Jurisdictions pursuant to the Prospectus. The Units may also be offered and sold in the United States on a private placement basis in accordance with Rule 144A (as defined herein) and/or Rule 506(b) of Regulation D (as defined herein) and outside of Canada and the United States where they may be lawfully sold on a basis exempt from the prospectus, registration and similar requirements of any such jurisdictions. The Corporation and the Underwriters further agree that any offers or sales of the Units in the United States or to, or for the account or benefit of, U.S. Persons (as defined herein) will be made by the Underwriters

through U.S. Affiliates (as defined herein) in accordance with this Agreement and Schedule "A" hereto, which is incorporated into and forms part of this Agreement.

The Underwriters may arrange for substituted purchasers (the "**Substituted Purchasers**") for the Units located in the United States (as defined herein) or to, or for the account or benefit of, U.S. Persons, directly from the Corporation in accordance with Rule 506(b) of Regulation D. Each Substituted Purchaser shall purchase the Units at the applicable purchase price referenced above, and, to the extent that Substituted Purchasers purchase Units, the obligations of the Underwriters to do so will be reduced by the number of Units purchased by the Substituted Purchasers from the Corporation.

In consideration of the Underwriters' agreement to purchase the Units and the Additional Securities, if any, the Corporation shall pay or cause to be paid to the Underwriters the Underwriting Commission (as defined herein) as set forth in Section 14.

1. Definitions

In this Agreement:

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended from time to time, together with any and all the regulations promulgated thereunder;

"**Additional Common Shares**" has the meaning given to it on the second page hereof;

"**Additional Securities**" has the meaning given to it on the second page hereof;

"**Additional Units**" has the meaning given to it on the second page hereof;

"**Additional Warrant Shares**" has the meaning given to it on the second page hereof;

"**Additional Warrants**" has the meaning given to it on the second page hereof;

"**affiliate**" has the meaning given to it in the *Securities Act* (Alberta);

"**Agreement**" means this Underwriting Agreement, as amended from time to time;

"**Amended and Restated Preliminary Prospectus**" means the amended and restated preliminary prospectus dated February 3, 2022 relating to the distribution of the Offered Units;

"**Anti-Money Laundering Laws**" has the meaning given to it in Section 7(hhh);

"**Business Day**" means any day, other than a Saturday or Sunday, on which commercial banks in Calgary, Alberta are open for commercial banking business during normal banking hours;

"**Canadian Securities Laws**" means all applicable securities laws in each of the Qualifying Jurisdictions and the respective rules, regulations, instruments, blanket orders and blanket rulings under such laws together with applicable published policies, policy statements and notices of the Canadian Securities Regulators;

"Canadian Securities Regulators" means the applicable securities commission or securities regulatory authority in each of the Qualifying Jurisdictions;

"Claims" has the meaning given to it in Section 18(a);

"Closing" means the completion of the issue and sale by the Corporation, and the purchase by the Underwriters, of the Offered Units pursuant to this Agreement;

"Closing Date" means March 1, 2022 or such other date as the Corporation and the Underwriters may agree upon in writing, or as may be changed pursuant to this Agreement, but in any event shall not be later than March 15, 2022;

"Closing Time" means 6:00 a.m. (Calgary time) on the Closing Date;

"Co-Lead Underwriters" has the meaning given to it on the first page hereof;

"Common Shares" has the meaning given to it on the first page hereof;

"Corporate Presentation" means the corporate presentation of Source Rock dated January 2022 titled *"Source Rock Royalties Initial Public Offering"* and filed with the Canadian Securities Regulators;

"Corporation Marketing Materials" means, collectively, the Corporate Presentation and the Term Sheet;

"distribution" and **"distribution to the public"** have the respective meanings given to them under applicable Canadian Securities Laws;

"Environmental Laws" means any federal, state, provincial, territorial or local law, statute, ordinance, rule, regulation, order, decree, judgment, injunction, permit, license, authorization or other binding requirement, or common law, relating to health, safety or the regulation, protection, cleanup or restoration of the environment or natural resources, including those relating to the distribution, processing, generation, treatment, control, storage, disposal, transportation, other handling or release or threatened release of Hazardous Materials;

"Exercise Notice" has the meaning given to it on the second page hereof;

"Final Passport System Decision Document" means a receipt for the Final Prospectus issued in accordance with the Passport System;

"Final Prospectus" means the final prospectus to be dated on or about February 23, 2022 relating to the distribution of the Offered Units;

"Final U.S. Placement Memorandum" means the final U.S. private placement memorandum (which shall include the Final Prospectus), in the form agreed by the Corporation and the Underwriters, prepared for use in connection with the offer and sale of the Offered Units in the United States on a private placement basis;

"Financial Statements" means the: (i) audited financial statements of the Corporation as at and for the years ended December 31, 2020 and 2019, together with the report of MNP

LLP thereon and the notes thereto; and (ii) condensed interim financial statements of the Corporation as at and for the three and nine months ended September 30, 2021 and 2020, including the notes thereto;

“Governmental Authorities” means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

“GST” means goods and services tax provided for under the *Excise Tax Act* (Canada);

“Hazardous Materials” means any contaminant, pollutant, subject waste, hazardous waste, deleterious substance, industrial waste, toxic matter or any other substance that when released into the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health;

“IFRS” means Canadian generally accepted accounting principles for publicly accountable enterprises, being International Financial Reporting Standards as issued by the International Accounting Standards Board, as adopted by the Chartered Professional Accountants of Canada;

“Indemnified Party” has the meaning given to it in Section 18(a);

“Intellectual Property” has the meaning given to it in Section 7(eee);

“Lien” means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation;

“Longshore” means Longshore Resources Ltd.;

“Marketing Materials” has the meaning given to “marketing materials” in NI 41-101;

“Material Adverse Effect” or **“Material Adverse Change”** means any fact, change, effect, event, occurrence or circumstances which, individually or in the aggregate:

- (a) is, or is reasonably likely to be, materially adverse to the business, operations, revenues, capital, assets, properties, results of operations, cash flow, affairs, assets, capitalization, condition (financial or otherwise), rights or liabilities (contingent or otherwise) of the Corporation; or
- (b) would result in the Final Prospectus containing a misrepresentation;

“material change” has the meaning given to it under Canadian Securities Laws;

“material fact” has the meaning given to it under Canadian Securities Laws and/or the U.S. Exchange Act, as the context applies;

“MI 11-102” means Multilateral Instrument 11-102 – *Passport System* adopted by the Canadian Securities Administrators, as amended or replaced;

“misrepresentation” has the meaning given to it under Canadian Securities Laws;

“MNP” means MNP LLP, Chartered Professional Accountants;

“NGL” means those hydrocarbon components that can be recovered from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non-hydrocarbons;

“NI 41-101” means National Instrument 41-101 – *General Prospectus Requirements* adopted by the Canadian Securities Administrators, as amended or replaced;

“notice” has the meaning given to it in Section 27;

“NP 11-202” means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions* adopted by the Canadian Securities Administrators, as amended or replaced;

“OFAC” has the meaning given to it in Section 7(iii);

“Offered Units” means, collectively, the Units and the Additional Units;

“Offering” means the offering of the Offered Units pursuant to this Agreement and the Prospectus;

“Offering Price” has the meaning given to it on the first page hereof;

“Option Closing Date” has the meaning given to it on the second page hereof;

“Option Closing Time” means 6:00 a.m. (Calgary time) on the Option Closing Date;

“Option Plan” means the stock option plan of the Corporation pursuant to which the Corporation has granted directors and officers and other service providers options to acquire Common Shares;

“Option Share” means a Common Share issuable upon exercising a Stock Option;

“Over-Allotment Option” has the meaning given to it on the second page hereof;

“Passport System” means the system and procedures for prospectus filing and review under MI 11-102 and NP 11-202;

“Permitted Encumbrances” has the meaning given to it in Section 7(qq);

“person” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, company, limited liability company, unlimited liability company or

Governmental Authority and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

"Preferred Shares" means the preferred shares in the capital of the Corporation;

"Preliminary Prospectus" means the preliminary prospectus dated January 10, 2022 relating to the distribution of the Offered Units;

"Preliminary U.S. Placement Memorandum" means the preliminary U.S. private placement memorandum (which includes the Preliminary Prospectus, as well as any Supplementary Material), including any supplement or amendments thereto, in the form agreed by the Corporation and the Underwriters, prepared for use in connection with the offer and sale of the Offered Units in the United States on a private placement basis;

"President's List" means certain directors and officers of the Corporation, and their families, friends and business associates, as well as certain strategic investors;

"Production Volume Royalty Agreement" means the amended and restated royalty agreement dated July 31, 2015 between Source Rock and Longshore (as successor to Toro Oil & Gas Ltd.), as amended;

"Prospectus" means, collectively, the Preliminary Prospectus, the Amended and Restated Preliminary Prospectus, the Final Prospectus and any Supplementary Material;

"provides" and derivations thereof, where used in reference to Marketing Materials, shall have the meaning ascribed to such term in NI 41-101;

"PVR" means the production volume royalty of Source Rock in certain Viking mineral interests in lands located in east-central Alberta;

"Qualified Institutional Buyer" means a "qualified institutional buyer" as that term is defined in Rule 144A(a)(1) under the Securities Act;

"Qualifying Jurisdictions" means all of the provinces of Canada, other than Quebec;

"Regulation D" means Regulation D adopted by the SEC under the U.S. Securities Act;

"Reserves Report" means the report prepared by Trimble evaluating the crude oil and natural gas reserves relating to the Royalty Lands with an effective date of December 31, 2020 and a preparation date of December 20, 2021;

"Royalty Lands" means the lands in which the Corporation holds a royalty interest;

"Rule 144A" means Rule 144A adopted by the SEC under the U.S. Securities Act;

"SEC" means the United States Securities and Exchange Commission;

"SEDAR" means the System for Electronic Document Analysis and Retrieval;

"Selling Firm" has the meaning given to it in Section 4(a);

"Source Rock" or "Corporation" means Source Rock Royalties Ltd.;

“Stock Option” means an option to purchase a Common Share granted under the Option Plan;

“subsidiary” has the meaning given to it in the *Securities Act* (Alberta);

“Substituted Purchasers” has the meaning given to it above;

“Supplementary Material” means, collectively, any amendment to the Preliminary Prospectus, the Amended and Restated Preliminary Prospectus or the Final Prospectus, any amended or supplemented prospectus or ancillary materials that may be filed or used in the offering of Offered Units by or on behalf of the Corporation under Canadian Securities Laws, relating to the qualification for distribution of the Offered Units under applicable Canadian Securities Laws;

“Swaps” means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, forward sale, exchange traded futures contract, hedging agreement or any other similar transaction (including any option with respect to any of these transactions or any combination of these transactions);

“Tax Act” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time;

“template version” has the meaning given to that term in NI 41-101;

“Term Sheet” means the term sheet dated January 10, 2022 and filed with the Canadian Securities Regulators;

“to the best of the knowledge, information and belief” or **“knowledge”** or similar terms mean, unless otherwise expressly stated, the knowledge of Brad Docherty and Sean Clausen as to the facts or circumstances to which such phrase relates, after having made reasonable inquiries and investigations in connection with such facts and circumstances that would ordinarily be made by senior officers of oil and gas royalty companies of similar size to the Corporation;

“Trimble” means Trimble Engineering Associates Ltd., independent petroleum consultants;

“TSX Trust” means TSX Trust Company;

“TSX-V” means the TSX Venture Exchange;

“Underwriter” and **“Underwriters”** have the respective meanings given to them on the first page hereof;

“Underwriters’ Information” means the statements relating solely to the Underwriters which have been provided by the Underwriters to the Corporation in writing specifically for use in the Preliminary Prospectus, Amended and Restated Preliminary Prospectus, Final Prospectus, U.S. Placement Memorandum and any Supplementary Material;

“Underwriting Commission” has the meaning given to it in Section 14;

“Units” has the meaning given to it on the first page hereof;

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

“United States Securities Laws” means all applicable securities legislation in the United States, including without limitation, the U.S. Securities Act, the U.S. Exchange Act and the rules and regulations promulgated thereunder, including the rules and policies of the SEC and any applicable state securities laws;

“U.S. Affiliates” has the meaning given to it in Schedule “A”;

“U.S. Exchange Act” means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

“U.S. Person” means a “U.S. person” as that term is defined in Rule 902(k) of Regulation S;

“U.S. Placement Memorandum” means, collectively, the Preliminary U.S. Placement Memorandum and the Final U.S. Placement Memorandum; and

“U.S. Securities Act” means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

“Warrant Indenture” means the indenture between the Corporation and TSX Trust, as warrant agent;

“Warrant Share” has the meaning given to it on the first page hereof; and

“Warrants” has the meaning given to it on the first page hereof.

Unless otherwise defined herein capitalized terms shall have the meanings ascribed thereto in the Final Prospectus.

Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and vice versa and words importing gender include all genders. References to “Sections”, “paragraphs” and “clauses” are to the appropriate section, paragraph or clause of this Agreement.

All references to dollars or “\$” are to Canadian dollars unless otherwise expressed.

2. Qualification and Offering for Sale

- (a) The Corporation represents and warrants to the Underwriters that: (i) the Corporation has prepared and filed the Preliminary Prospectus with the Canadian Securities Regulators and has obtained a receipt from the Alberta Securities Commission for the Preliminary Prospectus which receipt also evidences that the Ontario Securities Commission has issued a receipt for the Preliminary Prospectus; (ii) the Corporation has prepared and filed the Amended and Restated Preliminary Prospectus with the Canadian Securities Regulators and has obtained

a receipt from the Alberta Securities Commission for the Amended and Restated Preliminary Prospectus which receipt also evidences that the Ontario Securities Commission has issued a receipt for the Amended and Restated Preliminary Prospectus; (iii) pursuant to MI 11-102, a receipt for the Preliminary Prospectus is deemed to have been issued by the Canadian Securities Regulator in each of the other Qualifying Jurisdictions; (iv) pursuant to MI 11-102, a receipt for the Amended and Restated Preliminary Prospectus is deemed to have been issued by the Canadian Securities Regulator in each of the other Qualifying Jurisdictions; (v) the Corporation will prepare and file the Final Prospectus with the Canadian Securities Regulators and will obtain a receipt from the Alberta Securities Commission for the Final Prospectus, which receipt will also evidence that the Ontario Securities Commission has issued a receipt for the Final Prospectus; and (vi) pursuant to MI 11-102, a receipt for the Final Prospectus will be deemed to have been issued by the Canadian Securities Regulator in each of the other Qualifying Jurisdictions.

(b)

- (i) The Corporation covenants with the Underwriters that it will otherwise promptly fulfil and comply with, to the satisfaction of the Underwriters, acting reasonably, Canadian Securities Laws required to be fulfilled or complied with by the Corporation to enable the Offered Units to be lawfully distributed in the Qualifying Jurisdictions through the Underwriters or any other investment dealers or brokers registered as such in the Qualifying Jurisdictions; and
- (ii) the Corporation covenants with the Underwriters that it will, until the completion of the distribution of the Offered Units, promptly take all additional steps and proceedings that from time to time may be required under Canadian Securities Laws to continue to qualify the Offered Units for distribution or, in the event that the Offered Units have, for any reason, ceased to so qualify, to again qualify the Offered Units for distribution in the Qualifying Jurisdictions, and to permit the Offered Units to be offered and sold in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws, in each case, to the extent within the control of the Corporation.

- (c) Each of the Corporation and the Co-Lead Underwriters (as managers of the Underwriters for the purposes of the definition of “lead underwriter” under NI 41-101) confirms to the other parties hereto that it has approved in writing a template version of each of the Corporation Marketing Materials before such Corporation Marketing Materials were first provided to potential investors of the Offered Units and the Corporation confirms to the Underwriters that it has filed a template version of each of the Corporation Marketing Materials with the Canadian Securities Regulators.
- (d) During the distribution of the Offered Units, the Corporation agrees with the Underwriters and the Underwriters severally (not jointly nor jointly and severally) covenant and agree with the Corporation:

- (i) not to provide any potential investor of Offered Units with any Marketing Materials other than the Corporation Marketing Materials unless a template version of such Marketing Materials has been approved in writing by the Corporation and the Co-Lead Underwriters and filed by the Corporation with the Canadian Securities Regulators, in each case on or before the day such Marketing Materials are first provided to any potential investor of Offered Units; and
- (ii) not to provide any potential investor of Offered Units with any materials or information in relation to the distribution of the Offered Units or the Corporation other than: (1) the Corporation Marketing Materials and such other Marketing Materials that have been approved and filed in accordance with this Section 2(d); (2) the Preliminary Prospectus, the Amended and Restated Preliminary Prospectus, the Final Prospectus and any Supplementary Material, as applicable; and (3) any “standard term sheets” (as defined in NI 41-101) approved in writing by the Corporation and the Co-Lead Underwriters.

3. Due Diligence

- (a) During the period of distribution of the Offered Units, the Corporation shall co-operate in all commercially reasonable respects with the Underwriters to allow and assist the Underwriters to participate fully in the preparation of, and agree to the form and content of, any Supplementary Material and shall allow the Underwriters and its counsel to conduct all “due diligence” investigations which the Underwriters may reasonably require to fulfil their respective obligations under Canadian Securities Laws, the U.S. Securities Act and the U.S. Exchange Act and to enable the Underwriters to responsibly execute any certificate required to be executed by the Underwriters in such documentation.
- (b) Without limiting the generality of the foregoing, the Corporation shall make available its respective senior management, and shall use its reasonable commercial efforts to cause its respective auditors, legal counsel, Trimble and other experts named in the Prospectus to be available, to answer any questions which the Underwriters may have and to participate in one or more due diligence sessions to be held prior to the Closing Time.

4. Restrictions on Sale

- (a) The Underwriters will be permitted to appoint, at their sole expense, other registered dealers as their agents to assist in the distribution of the Offered Units. The Underwriters shall, and shall require any such dealer, other than the Underwriters, with which the Underwriters have a contractual relationship in respect of the distribution of the Offered Units (a “**Selling Firm**”) to, comply with all applicable laws and regulations and the terms and conditions in this Section 4 and Schedule “A”, as applicable, and as otherwise set out in this Agreement.
- (b) Each of the Underwriters severally (and not jointly nor jointly and severally) covenant and agree with the Corporation that they and any Selling Firm appointed by any of them shall distribute the Offered Units in a manner that complies with all applicable laws and regulations, including, without limitation, Canadian Securities

Laws, the U.S. Securities Act, U.S. Exchange Act and applicable state securities laws (including in connection with offers and sales in the United States or to, or for the account or benefit of, U.S. Persons, pursuant to this Agreement, Schedule "A" hereto, and the laws of all applicable U.S. states), in each jurisdiction into and from which they may offer to sell the Offered Units or distribute the Prospectus or the U.S. Placement Memorandum in connection with the distribution of the Offered Units and will not, directly or indirectly, offer, sell or deliver any Offered Units or deliver the Prospectus or the U.S. Placement Memorandum or any other document to any person in any jurisdiction, except in a manner which will not require the Corporation to comply with the registration, prospectus, continuous disclosure, filing or other similar requirements under the applicable securities laws of any jurisdiction other than the Qualifying Jurisdictions.

- (c) Notwithstanding the foregoing, an Underwriter will not be liable for any breach under this Section 4 or Schedule "A" hereto by another Underwriter or a Selling Firm appointed by another Underwriter if the Underwriter first mentioned is not itself also in breach of this Section 4 or Schedule "A" hereto.
- (d) For the purposes of this Section 4, the Underwriters shall be entitled to assume that the Offered Units are qualified for distribution in each of the Qualifying Jurisdictions.
- (e) The Corporation and each of the Underwriters hereby agree that any offer and sale of the Offered Units in the United States shall be conducted only in the manner specified in Schedule "A" hereto. For greater certainty, the Underwriters acknowledge and agree that the Prospectus will not register any Offered Units in the United States to, or for the account or benefit of, U.S. Persons, and any such Offered Units will only be offered and sold in compliance with this Agreement and Schedule "A" hereto.
- (f) The Underwriters shall cause the distribution of the Offered Units to occur in such a manner that the minimum distribution requirements for the initial listing and posting for trading of the Common Shares and Warrants on the TSX-V are satisfied. Upon the request of the Corporation, the Co-Lead Underwriters will provide the TSX-V with a letter setting forth the anticipated distribution of the offering of Offered Units based upon subscriptions for the Offered Units received as of the date of such request.

5. Delivery of Documents

- (a) On or prior to the time of filing of the Final Prospectus, the Corporation shall deliver to each of the Underwriters (except to the extent such documents have been previously delivered to the Underwriters or are available on SEDAR without charge):
 - (i) a copy of each of the Preliminary Prospectus, the Amended and Restated Preliminary Prospectus and the Final Prospectus signed as required by Canadian Securities Laws;
 - (ii) a copy of each of the Preliminary U.S. Placement Memorandum and the Final U.S. Placement Memorandum;

- (iii) a copy of any other document required under Canadian Securities Laws to be filed by the Corporation in connection with the distribution of the Offered Units contemplated hereby;
 - (iv) a “long-form” comfort letter of MNP, dated the date of the Final Prospectus (with the requisite procedures to be completed by such auditor no later than two Business Days prior to the date of the Final Prospectus), addressed to the Underwriters, the Corporation and the directors of the Corporation, in form and substance satisfactory to the Underwriters, acting reasonably, with respect to certain financial and numerical information relating to the Corporation contained in the Final Prospectus, which letter shall be in addition to the auditors’ reports contained in the Final Prospectus and any auditor’s comfort letter addressed to the Canadian Securities Regulators; and
 - (v) a copy of the letter from the TSX-V advising the Corporation that conditional approval of the listing of the Common Shares, Warrants, Additional Common Shares, Additional Warrants, Warrant Shares and Additional Warrant Shares has been granted by the TSX-V, subject to the satisfaction of the customary conditions set out therein.
- (b) In the event that the Corporation is required by Canadian Securities Laws to prepare and file Supplementary Material (including in the circumstances referred to in Section 12), the Corporation shall prepare and deliver promptly to the Underwriters signed and certified copies of such Supplementary Material. Any Supplementary Material shall be in form and substance satisfactory to the Underwriters, acting reasonably. Concurrently with the delivery of any Supplementary Material, the Corporation shall deliver to the Underwriters, with respect to such Supplementary Material, documents similar to those referred to in Sections 5(a)(ii), (a)(iii) and (a)(iv).
- (c) In the event that the Corporation is required by United States Securities Laws (as a result of a change in United States Securities Laws or otherwise) to prepare and/or file Supplementary Material, the Corporation shall use commercially reasonable efforts to prepare and deliver promptly to the Underwriters such Supplementary Material.

6. Representations and Warranties of the Corporation as to Prospectus

- (a) Filing of the Preliminary Prospectus, the Amended and Restated Preliminary Prospectus, the Final Prospectus and any Supplementary Material shall constitute a representation and warranty to the Underwriters by the Corporation that, as at their respective dates and dates of filing:
 - (i) the information and statements (except the Underwriters’ Information) contained in the Preliminary Prospectus, the Amended and Restated Preliminary Prospectus, the Final Prospectus and any Supplementary Material, as applicable, contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation and the Offered Units as required by Canadian Securities Laws;

- (ii) no material fact has been omitted from such information and statements (excluding the Underwriters' Information) that is required to be stated in such information and statements or that is necessary to make a statement contained in such information and statements not misleading in light of the circumstances under which it was made;
 - (iii) the Preliminary U.S. Placement Memorandum and the Final U.S. Placement Memorandum, as applicable, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, within the meaning of the U.S. Exchange Act; and
 - (iv) except with respect to any Underwriters' Information, the Preliminary Prospectus, the Amended and Restated Preliminary Prospectus, the Final Prospectus and any Supplementary Material, comply in all material respects with the requirements of Canadian Securities Laws and United States Securities Laws, as applicable, other than as to non-material matters of form or similar non-material matters or for which an exemption from such requirements has been obtained.
- (b) Such filings shall also constitute the Corporation's consent to the Underwriters' and any Selling Firms' use of the Preliminary Prospectus, the Amended and Restated Preliminary Prospectus, the Final Prospectus and any Supplementary Material, as applicable, in connection with the distribution of the Offered Units in the Qualifying Jurisdictions in compliance with this Agreement and Canadian Securities Laws and the use by the U.S. Affiliates of the Preliminary U.S. Placement Memorandum and the Final U.S. Placement Memorandum for offers and sales of the Offered Units, if any, in the United States, or to, or for the account or benefit of, U.S. Persons in compliance with this Agreement and United States Securities Laws.

7. Additional Representations and Warranties of the Corporation

The Corporation represents and warrants to the Underwriters, and acknowledges that the Underwriters are relying upon such representations and warranties in purchasing the Units and the Additional Units, if any, that:

- (a) the Corporation is a validly subsisting corporation under the ABCA and is registered to carry on business under the laws of each jurisdiction in which it carries on a material portion of its business, except where the failure to be so registered would not have a Material Adverse Effect;
- (b) the Corporation has all requisite corporate power, authority and capacity to enter into this Agreement and to perform all of its obligations hereunder (including the execution of the Preliminary Prospectus, the Amended and Restated Preliminary Prospectus, the Final Prospectus and any Supplementary Material and the filing of each of them with the Canadian Securities Regulators, and the preparation and distribution of the U.S. Placement Memorandum in accordance with this Agreement), and this Agreement and the performance of its obligations hereunder, has been duly authorized by all necessary corporate action on the part of the Corporation and has been duly executed and delivered by the Corporation and

constitutes a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, subject to the general qualifications that:

- (i) enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally,
 - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court,
 - (iii) the courts in Canada having jurisdiction may have equitable or statutory powers to stay proceedings before them and the execution of judgments,
 - (iv) rights to indemnity and contribution hereunder may be limited under applicable law,
 - (v) enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under applicable law without affecting the enforceability of validity of the remainder of such document would be determined only in the discretion of the court, and
 - (vi) enforceability of the provisions exculpating a party from liability or duty otherwise owed by it may be limited under applicable law;
- (c) the execution and delivery of this Agreement, and the performance of and compliance with the terms of this Agreement by the Corporation, does not and will not result in a breach of, or constitute a default under, any provision of the articles or by-laws of the Corporation, any resolutions of the directors (including committees of directors) or the shareholders of the Corporation, any statute, rule, policy or regulation applicable to the Corporation, any judgment, decree or order applicable to the Corporation or any agreement or instrument to which it is a party or by which it or any of its assets or property is bound, which default or breach would constitute a Material Adverse Effect;
- (d) the Common Shares and Warrants comprising the Units and the Warrant Shares underlying the Warrants, the Additional Common Shares, Additional Warrants comprising the Additional Units and Additional Warrant Shares underlying the Additional Warrants, have been duly and validly authorized, allotted and reserved for issuance in accordance with the terms of this Agreement, and, upon the issuance of the Common Shares, and upon the exercise of the Warrants, and Additional Warrants, if any (each in accordance with the terms of the Warrant Indenture), and upon receipt of the exercise price of such Warrants and Additional Warrants, if any, the Warrant Shares and Additional Warrant Shares, will be validly issued and outstanding as fully paid shares of the Corporation and will have the attributes set out in the Final Prospectus;
- (e) the corporate records and minute book of the Corporation are complete in all material respects;
- (f) the books of account and other records of the Corporation, whether of a financial or accounting nature or otherwise, have been maintained in accordance with

prudent business practices that are customary in the business in which the Corporation is engaged;

- (g) the Corporation has not received any notice of and is not in default or violation of any order, rule, regulation, writ, injunction or decree of any Governmental Authority or any statute, regulation, rule, policy or by law, which default or violation would constitute a Material Adverse Effect;
- (h) the Corporation is not aware of any applicable law or regulation or governmental position, or any announced, pending or contemplated change thereto or announced, pending or contemplated new law or regulation or governmental position (including without limitation any law, regulation or governmental position regarding greenhouse gas emissions or the oil and gas exploration and production business) that, in any of these cases, would constitute a Material Adverse Effect
- (i) no securities commission, stock exchange or other Governmental Authority has issued any order requiring trading in any of the Corporation's securities to cease, preventing or suspending the Final Prospectus or the Final U.S. Placement Memorandum or preventing the distribution of the Offered Units in any Qualifying Jurisdiction or on a private placement basis in the United States and, no such proceeding is, to the knowledge of the Corporation, pending, contemplated or threatened and the Corporation is not in default of any requirement of Canadian Securities Laws, the U.S. Securities Act or the securities laws of any state thereof that would constitute a Material Adverse Effect;
- (j) to the knowledge of the Corporation, none of its directors or officers are subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a corporation listed on a particular stock exchange;
- (k) TSX Trust, at its principal offices in the cities of Calgary, Alberta and Toronto, Ontario, has been duly appointed as registrar and transfer agent for the Common Shares and as warrant agent for the Warrants;
- (l) the provisions of the Common Shares conform, in all material respects, with the description thereof contained in the Final Prospectus under the heading "*Description of Share Capital and Securities Being Distributed*";
- (m) the TSX-V has conditionally approved the listing and posting for trading of the Common Shares, Warrants, Additional Common Shares, Additional Warrants, Warrant Shares and Additional Warrant Shares, subject to the satisfaction of customary conditions required by the TSX-V;
- (n) MNP has advised in the Final Prospectus that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta and there has not been any reportable event (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators) with such firm or any other prior auditor of the Corporation;

- (o) the form and terms of definitive certificates representing the Common Shares (including the Common Shares comprising the Units) have been duly approved and adopted by the Corporation and comply, in all material respects, with all legal and TSX-V requirements relating thereto and do not conflict with the Corporation's by-laws or constating documents;
- (p) no approval, authorization, consent or other order of, and no filing, registration or recording with, any Governmental Authority is required of the Corporation in connection with the execution and delivery of this Agreement, or the performance by the Corporation of its obligations hereunder, except as has been or will have been obtained on or prior to the Closing Date and are or will be in full force and effect or as required by Canadian Securities Laws with regard to the distribution of the Offered Units, if any, in the Qualifying Jurisdictions, or except where the failure to obtain or make, as the case may be, such approval, authorization, consent, order, filing, registration or recording would not constitute a Material Adverse Effect or would not impair the ability of the Corporation to consummate the transactions contemplated hereby or thereby or to duly observe and perform any of its covenants or obligations contained in this Agreement;
- (q) the Corporation has complied, in all respects, with all laws, regulations, rules, policies and by laws of Governmental Authorities applicable to the Corporation and the conduct of the Corporation's business except to the extent that the failure to do so would not constitute a Material Adverse Effect;
- (r) the Corporation has all requisite power and authority and has obtained all necessary registrations, licenses and permits to carry on its business as presently proposed to be conducted by it and to own its assets except to the extent that the failure to do so would not constitute a Material Adverse Effect;
- (s) the Corporation has no subsidiaries (as that term is defined in the ABCA) and the Corporation is not, directly or indirectly, a partner of any partnerships, limited partnerships or material joint ventures;
- (t) the Corporation does not own, directly or indirectly, any shares or any other equity or long- term debt securities of any corporation or other person;
- (u) since December 31, 2020, the Corporation has not made any acquisition that would be a significant acquisition for the purposes of Canadian Securities Laws, and no proposed acquisition by the Corporation has progressed to a state where a reasonable person would believe that the likelihood of the Corporation completing the acquisition is high and that, if completed by the Corporation at the date of the Final Prospectus, would be a significant acquisition for the purposes of Canadian Securities Laws, in each case, that would require the prescribed disclosure in the Final Prospectus pursuant to such laws;
- (v) the Corporation is not aware, and has not been advised by MNP, of any "material weakness" (as defined in National Instrument 52-109 – *Certificate of Disclosure in Issuers' Annual and Interim Filings*);
- (w) since December 31, 2020, the Corporation has not: (i) incurred any material liabilities (absolute, accrued, contingent or otherwise) other than in the ordinary

course of business, or (ii) suffered any Material Adverse Change (actual, anticipated, contemplated or threatened, financial or otherwise);

- (x) there are no outstanding judgments against the Corporation or any consent decrees or injunctions to which the Corporation is subject or by which its assets are bound and there are no claims, proceedings, actions or lawsuits in existence or, to the Corporation's knowledge, threatened or pending against the Corporation or with respect to any of the assets of the Corporation or the interests of the Corporation therein that would constitute a Material Adverse Effect, including but not limited to, environmental actions or claims;
- (y) the share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series, of which as of the date hereof, there are 29,562,559 Common Shares issued and outstanding, and such outstanding Common Shares are validly issued, fully paid and non-assessable, and nil Preferred Shares issued and outstanding;
- (z) as at the date hereof, there are Stock Options outstanding to purchase 2,490,000 Common Shares outstanding;
- (aa) the Corporation does not have outstanding any debentures, notes or mortgages that are or will be material to the Corporation;
- (bb) there are no restrictions on the transfer of the Common Shares, Warrants, Additional Common Shares, Additional Warrants, Warrant Shares and Additional Warrant Shares contained in the articles or by-laws of the Corporation;
- (cc) with the exceptions of: (i) Offered Units to be sold pursuant to the Offering and the underlying securities thereof; and (ii) Option Shares issuable on the exercise of any Stock Options; or as otherwise set out in the Prospectus, no person has any agreement with the Corporation or any warrant, convertible security or option exercisable against the Corporation or any right capable of being an agreement with the Corporation for the purchase of any of the Common Shares or any other unissued securities of the Corporation or any agreement with the Corporation or any warrant, convertible security or option exercisable against the Corporation or any right capable of becoming an agreement with the Corporation for the purchase, subscription or issuance of any unissued Common Shares or any other unissued securities of the Corporation;
- (dd) the Corporation has established on its books and records, reserves which are adequate for the payment of all taxes not yet due and payable and there are no Liens for taxes on the assets of the Corporation except for taxes not yet due, and there are no audits of any of the tax returns of the Corporation which are known by the Corporation's management to be pending, and there are no claims which have been or may be asserted relating to any such tax returns which, if determined adversely, would result in the assertion by any Governmental Authority of any deficiency which would constitute a Material Adverse Effect;
- (ee) other than the fees and payments set out in the Prospectus, the Corporation is not a party to or bound by any written or oral agreement or instrument under which the

completion of the Offering would require a payment of any amount or cause the acceleration of the payment of any amount by the Corporation;

- (ff) other than this Agreement and the agreements described in the Prospectus and agreements entered into in the ordinary course of business, the Corporation is not a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with its by-laws and indemnity agreements entered into among the Corporation and its directors and officers) or any other like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;
- (gg) the Corporation does not own or have any right, title or interest in any real property and is not a party to any lease or agreement in the nature of a lease, whether as lessor or lessee, except with respect to the Corporation's leases with respect to office premises or as otherwise disclosed in the Final Prospectus;
- (hh) none of the directors, officers, shareholders or employees of the Corporation or any person not dealing at arm's length with the Corporation is currently indebted to or has any obligation or liability to the Corporation, except for customary indemnity agreements and for employment or consulting arrangements with employees or consultants of the Corporation;
- (ii) to the knowledge of the Corporation, no insider (as such term is defined in the Canadian Securities Laws) of the Corporation has a present intention to sell any securities of the Corporation held by it;
- (jj) except for such matters as would not constitute a Material Adverse Effect: (i) the Corporation is not in default, nor is it aware of any potential notice or alleged default, or breach of any material agreement to which the Corporation is a party, including the Production Volume Royalty Agreement; (ii) to the knowledge of the Corporation, no other party is in default or breach in the observance or performance of any term or obligation to be performed by it under any contract to which the Corporation is a party or by which it is bound which is material to the business of the Corporation, including Longshore with respect to the Production Volume Royalty Agreement; and (iii) no event has occurred which, with notice or lapse of time or both, would constitute such a default or breach;
- (kk) subject to any conflicts of interest that a director may have from time to time in respect of his or her duties as a director of other corporations, to the knowledge of the Corporation, no officer, director or employee of the Corporation is subject to any limitations or restrictions on their activities or investments, including any non-competition provisions, that would in any way limit or restrict their involvement with the Corporation or the business affairs of the Corporation;
- (ll) other than the executive employment agreement entered into by the Corporation with the Chief Executive Officer, the Corporation is not a party to any contracts of employment which may not be terminated on one month or less notice or which provide for payments occurring on the change of control of the Corporation;
- (mm) except as described in the Final Prospectus, there are no material contracts or agreements to which the Corporation is a party or by which it is bound which are

outside of the ordinary course of business. For the purposes of this subparagraph, any contract or agreement pursuant to which the Corporation will, or may reasonably be expected to result in, a requirement of the Corporation to expend more than an aggregate of \$100,000 or receive or be entitled to receive revenue of more than \$100,000, in either case in the next 12 months, and is out of the ordinary course of business of the Corporation, shall be considered to be material;

- (nn) except for such matters as would not constitute a Material Adverse Effect, the Corporation is in compliance with the provisions of all applicable federal, provincial, local and foreign laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours;
- (oo) except to the extent that any violation or other matter referred to in this subparagraph would not constitute a Material Adverse Effect, the Corporation is not in violation of any Environmental Laws;
- (pp) any and all operations of the Corporation and, to its knowledge, any and all operations by third parties on or in respect of the assets and properties of the Corporation and on or in respect of the Royalty Lands, have been conducted in accordance with good oil and gas industry practices, except where the lack of or a lesser standard of such conduct would not constitute a Material Adverse Effect;
- (qq) except for such matters as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) the properties and assets of the Corporation are free and clear of all Liens other than those encumbrances that are standard in the oil and gas industry and which do not have a Material Adverse Effect on the ownership or operation of such assets and properties ("**Permitted Encumbrances**"); and (ii) other than Permitted Encumbrances, the Corporation has not done any act or suffered or permitted any action whereby any person has acquired or may acquire an interest in or to any of its properties and assets, nor has it done any act, omitted to do any act or permitted any act to be done that may adversely affect or defeat its title to any of its properties and assets;
- (rr) although the Corporation does not warrant title, to the knowledge of the Corporation: (i) the Corporation has good and marketable title to its producing royalty interests, including the PVR, and any undeveloped mineral title, gross overriding royalty lands and other assets, properties and interests (for the purpose of this subsection, the foregoing are collectively referred to as the "**Interest**"); (ii) the Interest is free and clear of adverse claims except for those arising in the ordinary course of business which are not material in the aggregate; and (iii) the Corporation holds the Interest under valid and subsisting mineral titles, leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservation or other agreements except for adverse claims which would not, or where the failure to so hold such interests would not, have a Material Adverse Effect;
- (ss) other than as disclosed in the Prospectus, the material contracts of the Corporation, including the Production Volume Royalty Agreement, have not been amended, modified, supplemented or restated in any way, nor have any of the terms and conditions thereof been waived by any party thereto;

- (tt) to the knowledge of the Corporation, policies of insurance in force as of the date hereof naming the Corporation's directors and officers as insured(s) provide terms and coverage that are generally appropriate given the size and nature of its business, properties and assets. Unless replaced by policies providing substantially similar terms and coverage, all such policies of insurance shall remain in full force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated hereby and the Corporation is not in default as to the payment of premiums or otherwise under the terms of any such policy; and the Corporation has not received any notice of the non-renewal of any such policy, or of any reservation of claims pursuant to any such policy; there are no material claims by the Corporation under any such policies or instruments as to which any insurance company is denying liabilities or defending under a reservation of rights clause; and the Corporation has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not constitute a Material Adverse Effect;
- (uu) all tax returns required to be filed or made by or on behalf of the Corporation have been duly filed or made on a timely basis, except to the extent any failure to file or make such tax returns would not constitute a Material Adverse Effect, and such tax returns are true, complete and correct in all material respects. All taxes shown to be payable on the tax returns or on subsequent assessments with respect thereto have been paid in full on a timely basis or have been accrued for on the Financial Statements, and no other material taxes are payable by the Corporation with respect to items or periods covered by such tax returns;
- (vv) for the year ended December 31, 2020, the Corporation has paid all applicable material taxes or the Corporation has provided adequate accruals in the Financial Statements for all such unpaid material taxes. The Financial Statements disclose all future income taxes in conformity in all material respects with IFRS;
- (ww) no material deficiencies exist or have been asserted with respect to taxes of the Corporation. The Corporation is not party to any action or proceeding for assessment or collection of any material amount of taxes, nor has such event been asserted or threatened against the Corporation or its assets. No waiver or extension of any statute of limitations is in effect with respect to taxes or tax returns of the Corporation. The material tax returns of the Corporation for periods ending on or after December 31, 2020 have never been audited by a government or taxing authority, no such audit in process nor to the knowledge of the Corporation is any such audit pending or threatened;
- (xx) the Financial Statements fairly present, in accordance with IFRS, consistently applied, the financial position and condition of the Corporation at the dates thereof and the results of the operations of the Corporation for the periods then ended and reflect in accordance with IFRS, consistently applied, all assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Corporation as at the date thereof;

- (yy) the Corporation has no retirement savings plans (either registered or unregistered) or other similar employee retirement benefit plans, and has not made any promises with respect to increased benefits under such plans;
- (zz) a true and complete copy of the Reserves Report has been provided to the Co-Lead Underwriters;
- (aaa) the Corporation co-operated with Trimble in the preparation of the Reserves Report which has been accepted and approved by the reserves committee and the Board of Directors of the Corporation. The Corporation made available to Trimble, prior to the issuance of the Reserves Report, for the purpose of preparing the Reserves Report, all information requested by Trimble, which information did not contain any misrepresentation at the time such information was provided. Except with respect to changes in the prices of oil, natural gas liquids and natural gas, the Corporation has no knowledge of a material adverse change in any production, cost, reserves or other relevant information provided to Trimble since the date that such information was so provided. The Corporation believes that the Reserves Report reasonably presents the estimated quantity and pre-tax net present values of the oil and natural gas reserves associated with the crude oil, natural gas and NGL properties evaluated in such report as at December 31, 2020 based upon information available at the time such reserves information was prepared, and the Corporation believes that, at the date of such report, it reasonably presents the aggregate estimated quantity and pre-tax net present values of such reserves or the estimated monthly production volumes therefrom;
- (bbb) to the knowledge of the Corporation, no officer, director, employee or any other person not dealing at arm's length with the Corporation, any associate or affiliate of any such person, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on production from the Royalty Lands or any revenue or rights attributed thereto;
- (ccc) to the knowledge of the Corporation, none of the wells situated on the Royalty Lands have been produced in excess of applicable production allowables imposed by any applicable law or any Governmental Authority;
- (ddd) the Corporation is not a party to, or bound by any outstanding Swaps;
- (eee) except for such matters as would not constitute a Material Adverse Effect: (i) the Corporation will own all rights in or have obtained valid and enforceable licenses or other rights to use the patents, patent applications, inventions, copyrights, know how (including trade secrets and other proprietary or confidential information), trade-marks (both registered and unregistered), trade names or any other intellectual property (collectively, "**Intellectual Property**") which is necessary for the conduct of its business as currently carried on, free and clear of any Liens or other adverse claims or interests of any kind or nature affecting its assets (subject to Permitted Encumbrances); and (ii) to the knowledge of the Corporation, there is no infringement by third parties of any Intellectual Property to be then owned, licensed or commercialized by the Corporation;

- (fff) the Corporation has not received notice of, and does not have knowledge of, any dispute or claim, potential or otherwise, involving any Governmental Authority or other person, including, without limitation, aboriginal groups, which the Corporation reasonably believes would constitute a Material Adverse Effect on any Royalty Lands or associated oil and gas exploration, development or production operations, the quantity and pre-tax present value of estimated further net revenue values of oil and natural gas reserves of the Corporation as shown in the Reserves Report or the current cash flow of the Corporation;
- (ggg) the Corporation's estimated aggregate tax pools set forth in the Final Prospectus are true and correct in all material respects as at the date specified. For the purposes of this provision, "aggregate tax pools" means, in respect of the Corporation directly, the total of the following balances for its taxation year ended December 31, 2020: undepreciated capital cost of all classes of depreciable property, cumulative Canadian exploration expense balance, cumulative Canadian development expense balance, cumulative oil and gas property expense balance, previously undeducted non-capital loss carry-forward balances for each year, cumulative eligible capital balance and previously undeducted financing expense balance for the purpose of paragraph 20(1)(e) of the Tax Act as all such terms are defined for the purpose of the Tax Act and the *Alberta Corporate Tax Act*;
- (hhh) the operations of the Corporation are and have been conducted at all times in compliance with the anti-money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency to which they are subject (collectively, the "**Anti-Money Laundering Laws**") and no action, suit or proceeding by or before any Governmental Authority or any arbitrator involving the Corporation with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened;
- (iii) neither the Corporation, nor, to the knowledge of the Corporation, any director, officer, agent, employee, affiliate or other person acting on behalf of the Corporation, is currently the target of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"); and the Corporation will not directly or indirectly use the proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person that is currently the target of any U.S. sanctions administered by OFAC;
- (jjj) neither the Corporation, nor, to the knowledge of the Corporation, any director, officer, agent, employee, or other person acting on behalf of the Corporation has:
 - (i) used any of the Corporation's funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic governmental official from corporate funds; (iii) violated or is in violation of any provision of the *U.S. Foreign Corrupt Practices Act of 1977*, as amended, the *Corruption of Foreign Public Officials Act (Canada)* or any other law, rule or regulation of similar purpose and scope, to the extent the foregoing such laws apply to the Corporation; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment;

- (kkk) except as disclosed in the Final Prospectus: (i) there are, and will be on the Closing Date, no shareholder agreements, voting agreements, investors' rights agreements or other agreements in force or effect which in any manner affects or will affect the voting or control of any of the securities of the Corporation; and (ii) there are, and will be on the Closing Date, no persons with registration rights or other similar rights to have any securities of the Corporation registered or qualified for distribution pursuant to any Canadian Securities Laws, the U.S. Securities Act or the securities laws of any state thereof, or the laws, rules or regulations of any other country;
- (lll) other than as provided for in this Agreement, the Corporation has not incurred any obligation or liability, contingent or otherwise, brokerage fees, finder's fees, underwriter's or agent's commission or other similar forms of compensation with respect to the transactions contemplated hereby;
- (mmm) neither the Corporation nor any affiliate of the Corporation has taken, and neither the Corporation nor any affiliate of the Corporation will take, any action which constitutes stabilization or manipulation of the price of any security of the Corporation to facilitate the sale or resale of the Units, Common Shares, Warrants, Additional Common Shares, Additional Warrants, Warrant Shares or Additional Warrant Shares;
- (nnn) any market, independent third-party and industry data included in the Final Prospectus and the Corporate Presentation is based on or derived from sources that the Corporation believes to be reliable and accurate in all material respects;
- (ooo) any information regarding the Corporation's public issuer counterparties and the nature of their respective businesses included in the Final Prospectus and the Corporate Presentation is taken from and based solely upon information published by such issuers and available on SEDAR and the Corporation has no knowledge that such information contains any misrepresentation; and
- (ppp) no forward-looking information within the meaning of Canadian Securities Laws contained in the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

8. Covenants of the Corporation

The Corporation covenants with the Underwriters that:

- (a) it will advise the Underwriters, promptly after receiving notice thereof, of the time when the Final Prospectus or any Supplementary Material has been filed and when the receipt(s) in respect thereof, if any, have been obtained and will provide evidence satisfactory to the Underwriters of each filing and the issuance or deemed issuance of receipts from all of the Canadian Securities Regulators; and
- (b) it will advise the Underwriters, promptly after receiving notice or obtaining knowledge, of: (i) the issuance by any Canadian Securities Regulator, the SEC or any state securities regulator of any order suspending or preventing the use of the Preliminary Prospectus, the Amended and Restated Preliminary Prospectus, the Final Prospectus or the U.S. Placement Memorandum, as applicable, and will use

its reasonable commercial efforts to prevent the issuance of any such order and, if any such order is issued, shall take all reasonable steps that it is able to take to obtain the withdrawal of the order promptly; (ii) the suspension of the qualification of the Offered Units for distribution or sale in any of the Qualifying Jurisdictions or in the United States or to, or for the account or benefit of, U.S. Persons; (iii) the institution or threatening of any proceeding for any of those purposes; or (iv) any requests made by any Canadian Securities Regulator for an amendment or supplement to the Prospectus, or for additional information.

The Corporation will use its reasonable commercial efforts to promptly do, make, execute, deliver or cause to be done, made executed or delivered, all such acts, documents and things as the Underwriters may reasonably require from time to time for the purpose of giving effect to this Agreement and take all such steps as may be reasonably within their power to implement to their full extent the provisions of this Agreement.

9. Commercial Copies

The Corporation shall cause commercial copies of the Final Prospectus and the Final U.S. Placement Memorandum to be delivered to the Underwriters without charge, in such quantities and in such cities as the Underwriters may reasonably request by written instructions to the printer of such documents. Such delivery of the Final Prospectus and the Final U.S. Placement Memorandum shall be effected as soon as possible after filing thereof with the Canadian Securities Regulators, but in any event on or before 12:00 noon (Calgary time) on February 25, 2022 (for deliveries in Calgary) and on or before 12:00 noon (local time) on February 28, 2022 (for deliveries in Canada other than in Calgary), provided that the Underwriters have provided the printer of such documents with the quantities required and delivery locations sufficiently in advance of such delivery times. Such deliveries shall constitute the consent of the Corporation to the Underwriters' use of the Final Prospectus for the distribution of the Offered Units in the Qualifying Jurisdictions in compliance with the provisions of this Agreement and Canadian Securities Laws and the use of the Final U.S. Placement Memorandum for delivery to purchasers in the United States in accordance with Rule 144A and/or Rule 506(b) of Regulation D. The Corporation shall similarly cause to be delivered commercial copies of any Supplementary Material or amendments to the Final U.S. Placement Memorandum. The Underwriters agree with the Corporation, subject to receipt of the same from the Corporation, to send a copy of the Final Prospectus to purchasers of Offered Units in Canada and the Final U.S. Placement Memorandum to purchasers of Offered Units pursuant to Rule 144A and/or Rule 506(b) of Regulation D promptly following receipt thereof, and to send a copy of any Supplementary Material to all persons to whom copies of the Final Prospectus or Final U.S. Placement Memorandum are sent promptly following receipt thereof.

10. Change of Closing Date

Subject to the termination provisions contained in Section 17, if a material change or a change in a material fact occurs prior to the Closing Date or the Option Closing Date, if applicable, which requires that an amendment to the Prospectus be prepared and filed, the Closing Date or the Option Closing Date, as the case may be, shall be, unless the Corporation and the Underwriters otherwise agree in writing or unless otherwise required under Canadian Securities Laws, the fifth Business Day following the later of:

- (a) the date on which all applicable filings or other requirements of Canadian Securities Laws with respect to such material change have been complied with in

all Qualifying Jurisdictions and any appropriate receipt(s) obtained for such filings and notice of such filings from the Corporation or its counsel have been received by the Underwriters; and

- (b) the date upon which the commercial copies of any Supplementary Material have been delivered in accordance with Section 9.

provided, however, that the Closing Date shall be no later than March 15, 2022.

11. Completion of Distribution; Market Stabilization

- (a) The Underwriters shall and shall cause each Selling Firm to, after the Closing Time, give prompt written notice to the Corporation when, in the opinion of the Underwriters, they have completed the distribution of the Offered Units, including notice of the total proceeds realized or number of Offered Units sold in each of the Qualifying Jurisdictions and any other jurisdiction.
- (b) The Underwriters agree among themselves and will require each of the other Selling Firms and their respective affiliates to agree, in connection with the offer and sale of the Offered Units, to comply with all applicable Canadian Securities Laws and the rules and policies of the TSX-V and to complete such offer and sale in compliance with the terms and conditions set forth in Schedule "A" hereto. In connection with the distribution, the Underwriters and members of the other Selling Firms (if any) may effect transactions that stabilize or maintain the market price of the Common Shares and Warrants at levels above those that might otherwise prevail in the open market, in compliance with Canadian Securities Laws and the rules and policies of the TSX-V. Those stabilizing transactions, if any, may be discontinued at any time.
- (c) The obligations of the Underwriters under this Section 11 are several and not joint nor joint and several. No Underwriter will be liable for any act, omission, default or conduct by any other Underwriter or any Selling Firm appointed by any other Underwriter.

12. Material Change or Change in Material Fact During Distribution

- (a) During the period from the date of this Agreement to the later of the Closing Date and the date of completion of distribution of the Offered Units under the Final Prospectus and the Final U.S. Placement Memorandum, the Corporation shall promptly notify the Underwriters in writing of:
 - (i) any filing made by the Corporation of information relating to the Offering with any securities exchange or Governmental Authority in Canada or the United States or any other jurisdiction;
 - (ii) any material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, operations, revenues, capital, properties, results of operations, cash flow, affairs, assets, capitalization, condition (financial or otherwise), rights or liabilities (contingent or otherwise) of the Corporation;

- (iii) any material fact which has arisen or has been discovered and would have been required to have been stated in the Final Prospectus or the Final U.S. Placement Memorandum had the fact arisen or been discovered on, or prior to, the date of such document;
 - (iv) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Final Prospectus, the Final U.S. Placement Memorandum or any Supplementary Material which fact or change is, or may reasonably be, of such a nature as to render any statement in the Final Prospectus, the Final U.S. Placement Memorandum or any Supplementary Material misleading or untrue in any material respect or which would result in a misrepresentation in the Final Prospectus or any Supplementary Material, or which would result in the Final U.S. Placement Memorandum containing any untrue statement of a material fact or omitting any statement that is necessary to make a statement contained in such disclosure not misleading in the light of the circumstances under which it was made or which would result in the Final Prospectus or any Supplementary Material not complying (to the extent that such compliance is required) with Canadian Securities Laws or United States Securities Laws; and
 - (v) any of the representations or warranties of the Corporation in this Agreement no longer being true and correct.
- (b) The Corporation shall promptly, and in any event within any applicable time limitation, comply, to the satisfaction of the Underwriters, acting reasonably, with all applicable filing and other requirements under Canadian Securities Laws and United States Securities Laws as a result of a fact or change referred to in Section 12(a), provided that the Corporation shall not: (i) file any Supplementary Material without first obtaining from the Underwriters the written approval of the Underwriters, which approval will not be unreasonably withheld, after consulting with the Underwriters with respect to the form and content thereof; and (ii) file under Canadian Securities Laws any other document without first consulting with the Underwriters.
- (c) The Corporation shall in good faith discuss with the Co-Lead Underwriters any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt whether written notice need be given under this Section 12.
- (d) The Corporation covenants and agrees with the Underwriters that it will promptly provide to the Underwriters, during the period commencing on the date hereof and until completion of the distribution of the Offered Units, drafts of any press releases and other public documents of the Corporation relating to the Corporation or the offering contemplated by this Agreement for review by the Underwriters and the Underwriters' counsel prior to issuance, provided that any such review will be completed in a timely manner.

13. Change in Canadian Securities Laws

If during the period of distribution of the Offered Units there shall be any change in Canadian Securities Laws which requires the filing of any Supplementary Material, the Corporation shall, to the satisfaction of the Underwriters, promptly prepare and file such Supplementary Material with the Securities Regulatory Authority in each Qualifying Jurisdiction in which such filing is required.

14. Underwriting Commission

In consideration of the Underwriters' agreement to purchase the Units and the Additional Securities, if any, and in consideration of the services to be rendered by the Underwriters in connection with the underwriting of such Offered Units, the Corporation agrees to pay to the Underwriters a fee equal to 6.0% of the gross proceeds of the Offering, other than any proceeds raised from members of the President's List for which the commission payable to the Underwriters shall be equal to 3.0% of such aggregate gross proceeds raised from members of the President's List (collectively, the "**Underwriting Commission**").

The Underwriting Commission shall be payable as provided for in Section 15. For greater certainty, the services provided by the Underwriters in connection herewith will not be subject to the GST and taxable supplies provided will be incidental to the exempt financial services provided. However, in the event that Canada Revenue Agency determines that GST is exigible on the Underwriting Commission, the Corporation agrees to pay the amount of GST forthwith upon the request of the Underwriters.

15. Delivery of Offering Price, Underwriting Commission and Offered Units

The purchase and sale of the Units and any Additional Units shall be completed at the Closing Time or Option Closing Time, as the case may be, by electronic means.

At the Closing Time, the Corporation shall duly deliver the Units to the Underwriters, and at any Option Closing Time, the Corporation shall duly deliver the applicable Additional Securities to the Underwriters, in each case in the form of an "instant" or electronic deposit pursuant to the non-certificated issue system maintained by CDS Clearing & Depository Services Inc. or evidence of book-based registration in the manner directed by the Co-Lead Underwriters in writing, registered in the name of "CDS & Co.", or in such other name or names as the Co-Lead Underwriters may notify the Corporation in writing not less than 48 hours prior to the Closing Time or Option Closing Time, as the case may be. Notwithstanding anything to the contrary in this section 15, all Units sold in reliance on Rule 506(b) of Regulation D shall be represented by definitive, physical certificates bearing a legend describing transfer restrictions under the U.S. Securities Act.

In either case, such delivery of the Units or the applicable Additional Securities and payment of the applicable Underwriting Commission shall be against payment by the Underwriters to the Corporation, of the aggregate Offering Price for the Units, or for the applicable Additional Securities, as the case may be, in each case net of the applicable Underwriting Commission, by wire transfer of immediately available funds together with a receipt signed by the Co-Lead Underwriters for such Common Shares and Warrants, or the Additional Common Shares and Additional Warrants, as the case may be, and acknowledging receipt of payment of the Underwriting Commission.

16. Conditions to Underwriters' Obligation to Purchase

The Underwriters' obligation to purchase the Units at the Closing Time shall be subject to the representations and warranties of the Corporation contained in this Agreement being accurate in all material respects (except for such representations and warranties of the Corporation qualified by materiality or which refer to a Material Adverse Effect, which shall be true and correct in all respects) as of the date of this Agreement and as of the Closing Date, to the Corporation having performed all of their respective obligations under this Agreement in all material respects and to the following additional conditions:

- (a) the Underwriters shall have received at the Closing Time the following opinions:
 - (i) a legal opinion dated the Closing Date, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and to counsel to the Underwriters from Dentons Canada LLP, Canadian counsel to the Corporation, as to the laws of Canada and the Qualifying Jurisdictions (or where applicable, opinions of local counsel as to the laws other than those of Canada and the Province of Alberta), which counsel may rely as to matters of fact, on certificates of Governmental Authorities and officers of the Corporation and letters from stock exchange representatives and transfer agents, with respect to the following matters, which opinion may be subject to customary assumptions and qualifications:
 - (A) as to the existence of the Corporation under the laws of its jurisdiction of incorporation and as to the corporate power and capacity of the Corporation to own and lease its property and assets and carry on its business as described in the Final Prospectus, and to execute, deliver and perform its obligations under this Agreement;
 - (B) as to the authorized capital of the Corporation and that the outstanding Common Shares have been duly authorized and have been validly issued by the Corporation and are outstanding as fully paid and non-assessable Common Shares;
 - (C) that the Common Shares and the Additional Common Shares have been duly authorized by all necessary corporate action of the Corporation and, subject to receipt of payment therefor, will be validly issued by the Corporation and outstanding as fully paid and non-assessable Common Shares;
 - (D) that the Warrants and Additional Warrants have been duly authorized by the Corporation and upon their issuance in accordance with the terms of this Agreement and the Warrant Indenture will constitute legally binding agreements of the Corporation, enforceable in accordance with the terms of the Warrant Indenture;
 - (E) that upon payment of the exercise price upon due exercise of the Warrants and Additional Warrants in accordance with the terms of the Warrant Indenture, the Warrant Shares and Additional Warrant

Shares will be duly and validly issued as fully paid and non-assessable shares of the Corporation;

- (F) that all necessary corporate action has been taken by the Corporation to authorize the execution of each of the Preliminary Prospectus, the Amended and Restated Preliminary Prospectus, the Final Prospectus and, if applicable, any Supplementary Material and the filing of such documents under Canadian Securities Laws in each of the Qualifying Jurisdictions, and to authorize the use and delivery of the Preliminary U.S. Placement Memorandum and Final U.S. Placement Memorandum including any amendments or supplements thereto;
- (G) that all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement and the Warrant Indenture and the performance by the Corporation of its obligations hereunder and thereunder;
- (H) that this Agreement and the Warrant Indenture have duly executed and delivered by the Corporation and constitute a legal, valid and binding obligation of the Corporation and are enforceable against the Corporation in accordance with their respective terms, subject to customary qualifications for enforceability opinions;
- (I) that the execution and delivery of this Agreement and the Warrant Indenture and the performance by the Corporation of its obligations hereunder and thereunder do not and will not result in a breach (whether after notice or lapse of time or both) of, or constitute a default under: (1) any of the terms, conditions or provisions of the articles or by-laws or resolutions of the Corporation; (2) any statute, published rule or regulation under the laws of the Province of Alberta or the federal laws of Canada applicable to the Corporation; (3) to such counsel's knowledge, any judgment, order or decree of any Governmental Authority having jurisdiction over the Corporation; or (4) to such counsel's knowledge, any material contract, mortgage, note, indenture, deed of trust, joint venture or partnership arrangement, instrument or lease to which the Corporation is a party;
- (J) that the attributes of the Units, Common Shares, Warrants and Additional Securities conform in all material respects with the description thereof in the Final Prospectus;
- (K) that the form and terms of the certificates representing the Common Shares have been duly approved by the Corporation and comply with the requirements of the ABCA;
- (L) that TSX Trust, at its principal offices in the cities of Calgary, Alberta and Toronto, Ontario has been duly appointed as the transfer agent and registrar for the Common Shares and warrant agent for the Warrants and Additional Warrants;

- (M) that all necessary documents have been filed, all requisite proceedings have been taken and all necessary approvals, permits, consents and authorizations have been obtained by the Corporation under Canadian Securities Laws to qualify the distribution of the Offered Units to the public in each of the Qualifying Jurisdictions through registrants registered under the applicable securities laws of the Qualifying Jurisdictions who have complied with the relevant provisions of such applicable securities laws and terms of their registration;
 - (N) as to the statements contained in the Final Prospectus under the heading "*Eligibility for Investment*"; and
 - (O) as to any other legal matters reasonably requested by the Underwriters; and
- (ii) if any Offered Units are sold in the United States, the Underwriters and their U.S. Affiliates shall have received at the Closing Time or the Option Closing Time, as the case may be, a legal opinion of special U.S. counsel to the Corporation, Dentons US LLP, in form and substance satisfactory to the Underwriters and their U.S. Affiliates, to the effect that the offer and sale and delivery of the Units to, or for the account or benefit of, persons in the United States or U.S. Persons, as contemplated by the Agreement, the Prospectus and the US Placement Memorandum, are not required to be registered under the US Securities Act.
- (b) the Underwriters shall have received at the Closing Time a letter dated the Closing Date, in form and substance satisfactory to the Underwriters, addressed to the Underwriters, the Corporation and the directors of the Corporation from MNP, confirming the continued accuracy of the comfort letter to be delivered to the Underwriters, the Corporation and the directors of the Corporation pursuant to Section 5(a)(iv) with such changes as may be necessary to bring the information in such letter forward to a date not more than two Business Days prior to the Closing Date, provided such changes are acceptable to the Underwriters, acting reasonably;
 - (c) the Underwriters shall have received at the Closing Time the following closing certificates:
 - (i) a certificate dated the Closing Date, addressed to the Underwriters (and, if necessary for opinion purposes, counsel to the Corporation and the Underwriters) and signed by an appropriate officer of the Corporation acceptable to the Underwriters, acting reasonably, with respect to the constating documents of the Corporation, the absence of proceedings taken regarding dissolution, all resolutions of the board of directors of the Corporation relating to this Agreement, and the incumbency and specimen signatures of signing officers of the Corporation;
 - (ii) a certificate dated the Closing Date, addressed to the Underwriters (and if necessary for opinion purposes counsel to the Corporation and the Underwriters) and signed on behalf of the Corporation by Chief Executive

Officer and the Chief Financial Officer or other senior officer of the Corporation acceptable to the Underwriters, certifying for and on behalf of the Corporation and without personal liability, after having made due enquiry and after having duly examined the Final Prospectus, the Final U.S. Placement Memorandum and any Supplementary Material:

- (A) that since the respective dates as of which information is given in the Final Prospectus, as amended by any Supplementary Material and the Final U.S. Placement Memorandum: (1) there has been no material change with respect to the Corporation; and (2) no material transaction has been entered into by the Corporation, other than as disclosed in the Final Prospectus and the Final U.S. Placement Memorandum or the Supplementary Material, as the case may be;
- (B) that the Prospectus does not contain a misrepresentation and contains full, true and plain disclosure of all material facts relating to the Offered Units, Common Shares, Warrants, Additional Common Shares, Additional Warrants, Warrant Shares and Additional Warrant Shares and that the Final U.S. Placement Memorandum as of its date and as of the Closing Date or the Option Closing Date, as the case may be, did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading within the meaning of the U.S. Exchange Act;
- (C) that no order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Common Shares or any other securities of the Corporation has been issued by any Governmental Authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under any of Canadian Securities Laws or by any other Governmental Authority;
- (D) that the Corporation has complied in all material respects with the terms and conditions of this Agreement on its part to be complied with up to the Closing Time; and
- (E) that the representations and warranties of the Corporation contained in this Agreement are true and correct as of the Closing Time in all material respects (except for such representations and warranties of the Corporation qualified by materiality or which refer to a Material Adverse Effect, which shall be true and correct in all respects) with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement, except in respect of any representations and warranties that are to be true and correct as of a specified date, in which case they will be true and correct as of that date only; and

all of those matters will in fact be true and correct as at the Closing Time;

- (d) the Common Shares, Warrants, Additional Common Shares, Additional Warrants, Warrant Shares and Additional Warrant Shares shall have been approved for listing on the TSX-V on or before the Business Day immediately preceding the Closing Date, subject only to the satisfaction by the Corporation of customary post-closing conditions imposed by the TSX-V in similar circumstances;
- (e) the Warrant Indenture shall have been executed and delivered by the Corporation in form and substance satisfactory to the Co-Lead Underwriters, on behalf of the Underwriters, acting reasonably; and
- (f) on or prior to the Closing Time, the Co-Lead Underwriters shall have received from the Corporation an agreement in the form of Schedule "B" hereto from each of the directors and officers of the Corporation, and such agreement shall be in full force and effect on the Closing Date.

The several obligations of the Underwriters hereunder to purchase the Additional Units, if any, agreed to be purchased on an Option Closing Date are subject to the delivery to the Underwriters on such Option Closing Date of: (i) opinions dated the Option Closing Date substantially similar to the opinions referred to in Section 16(a); (ii) a letter dated the Option Closing Date from MNP substantially similar to the letter referred to in Section 16(b); and (iii) certificates dated the Option Closing Date substantially similar to the officer's certificates referred to in Section 16(c), together with such other customary closing certificates and documents as the Underwriters may reasonably request with respect to the good standing of the Corporation and other matters related to the sale of the Additional Units.

17. Rights of Termination

- (a) Any Underwriter shall have the right to terminate its obligations hereunder by written notice to the Corporation if, after the date hereof and prior to the Closing Time or the Option Closing Time, as applicable:
 - (i) there should occur or there should be announced by the Corporation or discovered by the Underwriter any material change, any change in a material fact or new material fact such as is contemplated by Section 12(a) which, in the opinion of the Underwriter, acting reasonably, would be expected to have an adverse effect on the market price or value of the Common Shares or Warrants comprising the Units or could reasonably be expected to result in the purchasers of a material number of Offered Units exercising their rights under applicable securities laws to withdraw from or rescind their purchase thereof or sue for damages in respect thereof;
 - (ii) (A) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence which, in the opinion of the Underwriter, acting reasonably, seriously adversely affects, or involves, or may seriously adversely affect, or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Corporation; (B) there shall have occurred any outbreak or escalation of hostilities, declaration by Canada or the United States of a national emergency or war, or other calamity or crisis (including without limitation matters caused by, related to or resulting from COVID-19 to the extent that there are material adverse

developments related thereto after the date hereof), which, in the opinion of the Underwriter, acting reasonably, seriously adversely affects, or involves, or may seriously adversely affect, or involve, the financial markets in Canada or the United States or the business, operations or affairs of Corporation; or (C) there should develop, occur or come into effect or existence any governmental action, law, regulation, inquiry or other similar occurrence which, in the opinion of the Underwriter, acting reasonably, seriously adversely affects, or involves, or may seriously adversely affect, or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Corporation;

- (iii) any inquiry, action, suit, investigation or other proceeding, whether formal or informal, is instituted, announced or threatened or any order is made by any Governmental Authority in relation to the Corporation, which, in the opinion of the Underwriter, acting reasonably, operates to prevent, restrict, suspend, delay or materially impact the distribution or marketability of, or the trading in the Common Shares or Warrants comprising the Units;
 - (iv) any order to cease or suspend trading in the Corporation's securities or to prohibit or restrict the distribution of the Offered Units is made, or proceedings are announced, commenced or threatened for the making of any such order, by any of the Canadian Securities Regulators or the TSX-V and has not been rescinded, revoked or withdrawn; or
 - (v) the state of financial markets in Canada or the United States is such that, in the reasonable opinion of any of the Underwriters, the Offered Units cannot be marketed profitably.
- (b) The Corporation agrees that all terms and conditions in Section 16 shall be construed as conditions and complied with so far as they relate to acts to be performed or caused to be performed by it, that it will use its reasonable commercial efforts to comply with such conditions in Section 16, and that any breach or failure by the Corporation to comply with any such conditions shall entitle any of the Underwriters to terminate its obligations to purchase the Offered Units by notice to that effect given to the Corporation at any time at or prior to the Closing Time, unless otherwise expressly provided in this Agreement. Each Underwriter may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to its rights in respect of any other terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon an Underwriter only if such waiver or extension is in writing and signed by the Underwriter.
- (c) The rights of termination contained in Section 17(a) may be exercised by any of the Underwriters and are in addition to any other rights or remedies any of the Underwriters may have in respect of any default, act or failure to act or non-compliance by the Corporation in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there shall be no further liability on the part of any of the Underwriters or the Corporation to each other, except in respect of any liability which may have arisen prior to or arise after such termination under Sections 18, 19 and 21. A notice of termination given by

an Underwriter under Section 17(a) shall not be binding upon any other Underwriter who has not also executed such notice.

18. Indemnity

(a) Rights of Indemnity

- (i) The Corporation agrees to indemnify and save harmless each of the Underwriters and each of their respective affiliates, and each of their respective directors, officers, partners, employees, agents and controlling persons (collectively, the **"Indemnified Parties"** and individually an **"Indemnified Party"**) from and against all liabilities, claims, losses (but excluding any loss of profits or other indirect or consequential damages), costs, damages and expenses, or actions in respect thereof (collectively, **"Claims"**) and to reimburse such parties for any legal and other expenses reasonably incurred by such parties in connection with investigating or defending any such Claim as such expenses are incurred, in any way caused by, or arising directly or indirectly from, or in consequence of:
 - (A) any information or statement (other than the Underwriters' Information) contained in the Prospectus or the U.S. Placement Memorandum or in any certificates of the Corporation delivered pursuant to this Agreement which at the time and in the light of the circumstances under which it was made contains or is alleged to contain a misrepresentation within the meaning of Canadian Securities Law, or an untrue statement of a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, within the meaning of the U.S. Exchange Act;
 - (B) any omission or alleged omission to state in the Prospectus, the U.S. Placement Memorandum or any certificates of the Corporation delivered pursuant to this Agreement, any material fact (other than a material fact relating solely to the Underwriters' Information) required to make any statement therein or necessary in order to make any statement therein not a misrepresentation under Canadian Securities Laws or necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, within the meaning of the U.S. Exchange Act;
 - (C) any order made or enquiry, investigation or proceeding commenced or threatened by any court, securities commission or other competent authority based upon any actual or alleged untrue statement of a material fact or omission or alleged omission to state a material fact necessary to make any statement not misleading in the light of the circumstances under which it was made (within the meaning of the U.S. Exchange Act) or any misrepresentation or alleged misrepresentation (in each case, other than relating solely to any Underwriters' Information) contained in or omitted from the Prospectus or the U.S. Placement Memorandum or based upon any

failure to comply with Canadian Securities Laws or the U.S. Securities Act (other than any failure or alleged failure to comply by the Underwriters), preventing or restricting the trading in or the sale or distribution of the Offered Units in any of the Qualifying Jurisdictions;

- (D) the non-compliance or alleged non-compliance by the Corporation with any of Canadian Securities Laws or the U.S. Securities Act in connection with the transactions contemplated by this Agreement; or
- (E) any breach by the Corporation of its representations, warranties, covenants or obligations to be complied with under this Agreement or any other document delivered by it pursuant to this Agreement.

(ii) If and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made shall determine that the losses, costs, expenses, claims, actions, damages and liabilities resulted from the gross negligence, fraud or wilful misconduct of an Indemnified Party claiming indemnity, such Indemnified Party shall promptly reimburse to the Corporation, any funds advanced to the Indemnified Party in respect of such Claim and the indemnity provided for in this Section 18 shall cease to apply to such Indemnified Party in respect of such Claim. For greater certainty, the Corporation and the Underwriters agree that they do not intend that any failure by the Underwriters to conduct such reasonable investigation as necessary to provide the Underwriters with reasonable grounds for believing the Prospectus or the U.S. Placement Memorandum contained no misrepresentation shall constitute "negligence" or "wilful misconduct" for the purposes of this Section 18 or otherwise disentitle the Underwriters from indemnification hereunder.

(b) If any Claim is asserted against any Indemnified Party in respect of which indemnification is or might reasonably be considered to be sought pursuant to Section 18(a), such Indemnified Party will notify the Corporation in writing, as soon as reasonably practicable of the nature of such Claim (but failure or delay to so notify the Corporation of any potential Claim shall not relieve the Corporation from any liability which it may have to any Indemnified Party except and only to the extent that any such delay in or failure to give notice as herein required prejudices the defense of such Claim or results in any material increase in the liability which the Corporation has under this indemnity). The Corporation shall assume the defence of any suit brought to enforce such Claim; provided, however, that:

- (i) the defence shall be conducted through legal counsel reasonably acceptable to the Indemnified Party; and
- (ii) no settlement of any such Claim or admission of liability may be made by the Corporation without the prior written consent of the Indemnified Parties, acting reasonably, or unless such settlement, compromise or judgment: (A) includes an unconditional release of each Indemnified Party from all liability arising out of such Claim; and (B) does not include a statement as to or an

admission of fault, culpability or failure to act, by or on behalf of any Indemnified Party.

- (c) In any Claim, the Indemnified Party shall have the right to retain one other counsel in each jurisdiction to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party, unless:
 - (i) the Corporation and the Indemnified Party shall have mutually agreed to the retention of the other counsel;
 - (ii) the named parties to any such Claim (including any added third or impleaded party) include both the Indemnified Party and the Corporation, and the Indemnified Party shall have reasonably concluded that there may be legal defences available to the Indemnified Party that are different or in addition to those available to the Corporation or the Indemnified Party shall have been advised in writing by legal counsel that the representation of both parties by the same counsel would be inappropriate due to the actual or potential differing interests between them; or
 - (iii) the Corporation shall not have assumed responsibility for the Claim and retained acceptable counsel within 10 days following receipt by the Corporation of notice of any such Claim from the Indemnified Party,

provided, however, that no settlement of any such Claim or admission of liability may be made by the Indemnified Party without the prior written consent of the Corporation, which consent will not be unreasonably withheld or delayed, but further provided that the Corporation will be liable for the settlement of any such Claim effected without its prior written consent if (i) the Indemnified Party shall have requested the Corporation to reimburse the Indemnified Party for the fees and expenses of counsel, (ii) the settlement is entered into more than 45 days after receipt by the Corporation of such request, (iii) the Corporation shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into, and (iv) the Corporation shall not have reimbursed the Indemnified Party in accordance with such request prior to the date of such settlement.

- (d) The rights and remedies accorded to the Indemnified Parties under this Section 18 are not exclusive and shall not limit any rights or remedies which may be available to any Indemnified Party at law, in equity or otherwise.

19. Contribution

- (a) In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in Section 18 would otherwise be available in accordance with its terms but is, for any reason, held to be unavailable to, or unenforceable by the Indemnified Parties, or enforceable otherwise than in accordance with its terms, the Corporation, on the one hand, and the Indemnified Parties, on the other hand, shall:
 - (i) contribute to the aggregate of all claims, expenses, costs and liabilities and all losses of a nature contemplated by Section 18 in such proportions so

that the Indemnified Parties shall be responsible for the portion represented by the percentage that the aggregate Underwriting Commission payable to the Underwriters hereunder bears to the aggregate offering price of the Offered Units, and the Corporation shall be responsible for the balance, whether or not they have been sued or sued separately; and

- (ii) if the allocation provided by Section 19(a)(i) above is not permitted by applicable law, the Corporation and the Indemnified Parties shall contribute such proportions as is appropriate to reflect not only the relative benefits referred to in Section 19(a)(i) above but also the relative fault of the Corporation, on the one hand, and the Indemnified Parties, on the other hand, in connection with the Claim or Claims which resulted in such losses, claims, damages, liabilities, costs or expenses, as determined by final judgment of a court of competent jurisdiction, as well as any other relevant equitable considerations,

provided, however, that: (a) the Indemnified Parties shall not in any event be liable to contribute, in the aggregate, any amounts in excess of such aggregate Underwriting Commission or any portion of such fee actually received under this Agreement; (b) each Underwriter shall not in any event be liable to contribute, individually, any amount in excess of such Underwriter's portion of the aggregate Underwriting Commission or any portion of such fee actually received by such Underwriter under this Agreement; and (c) no party who has been determined by a court of competent jurisdiction in a final, non-appealable judgment to have engaged in any fraud, wilful default or gross negligence in connection with the Claim or Claims which resulted in such losses, claims, damages, liabilities, costs or expenses shall be entitled to claim contribution from any person who has not been determined by a court of competent jurisdiction in a final, non-appealable judgment to have engaged in such fraud, wilful default or gross negligence in connection with such Claim or Claims.

- (b) The relative fault of the Corporation, on the one hand, and of the Underwriters, on the other hand, shall be determined by reference to, among other things, whether the matters or things referred to in Section 18(a)(i)(A) or Section 18(a)(i)(B), as applicable, which resulted in such Claim, relate to information supplied by or steps or actions taken or done or not taken or done by or on behalf of the Corporation or to information supplied by or steps or actions taken or done or not taken or done by or on behalf of the Underwriters and the relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission or misrepresentation, or other matter or thing referred to in Section 18(a)(i)(A) or Section 18(a)(i)(B), as applicable. The amount paid or payable by an Underwriter as a result of the Claim referred to above shall be deemed to include any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such liabilities, claims, demands, losses, costs, damages and expenses, whether or not resulting in an action, suit, proceeding or claim.
- (c) The rights to contribution provided in this Section 19 shall be in addition to and not in derogation of any other right to contribution which the Indemnified Parties may have by statute or otherwise at law or in equity.

- (d) In the event that the Corporation may be held to be entitled to contribution from the Underwriters under the provisions of any statute or at law, the Corporation shall be limited to contribution in an amount not exceeding the lesser of:
 - (i) the portion of the full amount of the loss or liability giving rise to such contribution for which the Underwriters are responsible, as determined in Section 19(a); and
 - (ii) the amount of the Underwriting Commission actually received by the Underwriters under this Agreement;

and an Underwriter shall in no event be liable to contribute any amount in excess of such Underwriter's portion of the Underwriting Commission actually received under this Agreement.

- (e) If the Underwriters have reason to believe that a claim for contribution may arise, they shall give the Corporation notice of such claim in writing, as soon as reasonably possible, but failure or delay to so notify the Corporation shall not relieve the Corporation of any obligation which it may have to the Underwriters under this Section 19 (except and only to the extent that any such delay in or failure to give notice as herein results in any material increase in the liability which the Corporation has under this Section 19).
- (f) With respect to this Section 19, the Corporation acknowledges and agrees that the Underwriters are contracting on their own behalf and as agents for their affiliates, directors, officers, employees and agents, and each person, if any, controlling any Underwriter. The Underwriters' respective obligations to contribute pursuant to this Section 19 are several in proportion to the percentages of Offered Units set forth opposite their respective names in Section 22 hereof and not joint (or joint and several).
- (g) The rights and remedies provided for in this Section 19 are not exclusive and shall not limit any rights or remedies which may be available to any party at law, in equity or otherwise.

20. Severability

If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severable from this Agreement.

21. Expenses and Taxes

Whether or not the transactions contemplated by this Agreement shall be completed, all expenses of or incidental to the sale and delivery of the Offered Units and all expenses of or incidental to all other matters in connection with the Offering, shall be borne by the Corporation including, without limitation, all fees and disbursements of all legal counsel to the Corporation (including U.S., foreign and local counsel), all reasonable fees and disbursements of all legal counsel to the Underwriters (including U.S. counsel), up to the maximum set forth in the Engagement Letter, all fees and disbursements of the Corporation's accountants and auditors, all expenses related to roadshows and marketing activities, all printing costs incurred in connection with the Offering,

including preparation and printing of the Prospectus, the U.S. Placement Memorandum, the Corporation Marketing Materials or term sheets used for marketing purposes, certificates, if any, representing the Offered Units, all prospectus filing and other filing fees, all fees and expenses relating to listing the Common Shares, Warrants, Additional Common Shares, Additional Warrants, Warrant Shares and Additional Warrant Shares, as applicable, on any exchanges, all fees and expenses of the Corporation's roadshow consultants, all transfer agent fees and expenses, and all fees and expenses in connection with the sale and delivery of any Additional Units, together with all related taxes (including, without limitation, provincial sales taxes, Harmonized Sales Tax and GST). In addition, whether or not the transactions contemplated by this Agreement shall be completed, the Corporation shall reimburse each of the Underwriters for all other reasonable out-of-pocket expenses of the Underwriters incurred in connection with the Offering, including without limitation, any advertising, marketing, roadshow, printing, courier, telecommunications, data searches, presentation, travel, entertainment and other expenses incurred by them in connection with the Offering, together with all related taxes (including, without limitation, provincial sales taxes, Harmonized Sales Tax and GST). All fees and expenses incurred by the Underwriters which are required to be borne by the Corporation hereunder, shall be payable by the Corporation promptly upon receiving an invoice therefor from the Underwriters.

22. Obligations to Purchase

- (a) The obligation of the Underwriters to purchase the Units or the Additional Securities that they have agreed to purchase hereunder, as the case may be, at the Closing Time or an Option Closing Time, as the case may be, shall be several and not joint and each of the Underwriters shall be obligated to purchase only that percentage of the Units or the Additional Securities, as the case may be, set out opposite the name of such Underwriter below.

PI Financial Corp.	42.5%
Acumen Capital Finance Partners Limited	30.0%
Haywood Securities Inc.	12.5%
Canaccord Genuity Corp.	10.0%
ATB Capital Markets Inc.	5.0%
	100.0%

- (b) If, on the Closing Date or an Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase the Units or Additional Securities, as the case may be, that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Units or Additional Securities, as the case may be, which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than 7.5% of the aggregate number of the Units or Additional Securities, as the case may be, to be purchased on such date, the other Underwriters shall be obligated severally on a pro rata basis according to the percentage of Offered Units set forth opposite their respective names in this Section 22, or in such other proportion as the Co-Lead Underwriters may specify, to purchase the Offered Units which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date. If, on the Closing Date or the Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Units or Additional Units, as the case may be, and the aggregate number of Units or Additional Securities, as the case may be, with respect to which such default occurs is more

than 7.5% of the aggregate number of Units or Additional Securities, as the case may be, to be purchased on such date, the other Underwriters shall have the right, but shall not be obligated, to purchase all of such Units or Additional Securities, as the case may be, which would otherwise have been purchased by such defaulting Underwriter or Underwriters, and if such non-defaulting Underwriters do not purchase all such Units or Additional Securities, as the case may be, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Corporation. In the event of a default by any Underwriter as set forth in this Section 22, the Closing Date or the Option Closing Date, as the case may be, shall be postponed for such period, not exceeding three Business Days, in order that the required changes, if any, in the Prospectus or in any other documents or arrangements may be effected. Nothing contained in this Agreement shall relieve any defaulting Underwriter of its liability, if any, to the Corporation or any non-defaulting Underwriter for damages occasioned by its default hereunder.

- (c) Nothing in this Section 22 shall oblige the Corporation to sell to the Underwriters less than all of the Units or less than all of the Additional Securities, as the case may be, that the Underwriters have elected to purchase, as the case may be, or relieve from liability to the Corporation any Underwriter which may be in default. In the event of the termination of the Corporation's obligations under this Agreement, there shall be no further liability on the part of the Corporation to the Underwriters except in respect of any liability which may have arisen or may arise under Sections 18, 19 and 21.

23. Restrictions on Further Issues or Sales; Right of First Refusal

The Corporation agrees not to, without the prior written consent of the Co-Lead Underwriters on behalf of the Underwriters (such consent not to be unreasonably withheld or delayed): (i) issue or sell, directly or indirectly, any Common Shares, any securities convertible or exchangeable into Common Shares, or any other voting or equity securities of the Corporation or any subsidiary of or successor to the Corporation; or (ii) publicly announce an intention to do any of the foregoing, for a period of 180 days following the Closing Date, other than (A) pursuant to the transactions contemplated by this Agreement, (B) the issuance of Stock Options pursuant to the Option Plan, (C) the issuance of Option Shares upon the exercise of Stock Options, (D) Common Shares issued by the Corporation directly to the vendors of assets or shares acquired by the Corporation pursuant to an arm's length acquisition, or (E) the issuance of securities of the Corporation in connection with joint ventures, commercial relationships, debt financings, charitable contributions, or other strategic corporate transactions, and the issuance of any securities pursuant to any such agreement; provided that in the case of clauses (D) and (E), the aggregate number of Common Shares that the Corporation may sell or issue or agree to sell or issue pursuant to clauses (D) and (E) shall not exceed an aggregate 20% of the total number of Common Shares issued and outstanding on a fully-diluted basis immediately following the completion of the Offering.

The Corporation further agrees that each Co-Lead Underwriter will be invited to participate as a member of a syndicate of one or more investment dealers for any brokered financing for twelve (12) months following completion of the Offering.

24. Survival

All representations, warranties, covenants and agreements of the Corporation and herein contained (including its obligations under paragraphs 18, 19 and 21) shall survive the purchase

by the Underwriters of the Offered Units and shall continue in full force and effect for the benefit of the Underwriters, regardless of any investigation which the Underwriters may carry out or which may be carried out on behalf of the Underwriters or otherwise and notwithstanding any subsequent disposition by the Underwriters of the Offered Units.

25. Time

Time is of the essence in the performance of the parties' respective obligations under this Agreement.

26. Governing Law

The Corporation and the Underwriters agree that any legal suit or proceeding arising with respect to this Agreement will be tried exclusively in the Court of Queen's Bench of the Province of Alberta in Calgary and the Corporation and the Underwriters agree to submit to the jurisdiction of, and to venue in, such Court. This Agreement shall be governed and construed in accordance with the laws of the Province of Alberta and federal laws of Canada applicable therein, without regard to principles of conflicts of laws. Any right to trial by jury with respect to any action or proceeding arising in connection with or as a result of either our engagement or any matter referred to in this Agreement is hereby waived by the parties hereto.

27. Notice

Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

If to the Corporation, addressed and sent to:

Source Rock Royalties Ltd.
3000, 421 – 7th Ave S.W.
Calgary, Alberta T2P 4K9

Attention: Brad Docherty, Chief Executive Officer
E-mail: [Redacted – email address]

with a copy to:

Dentons Canada LLP
15th Floor, Bankers Court
850 – 2nd Street SW
Calgary, Alberta T2P 0R8

Attention: Lucas Tomei
E-mail: [Redacted – email address]

and, in the case of notice to be given to the Underwriters, addressed to:

PI Financial Corp.
1900 - 666 Burrard Street
Vancouver, British Columbia V6C 3N1

Attention: Brad Ralph, Managing Director
Email: [Redacted – email address]

Acumen Capital Finance Partners Limited
Suite 800
500 – 4th Avenue SW
Calgary, Alberta T2P 2V6

Attention: Kelly Hughes, Head of Investment Banking
Email: [Redacted – email address]

Haywood Securities Inc.
Suite 400
800 – 1st Street SW
Calgary, Alberta T2P 1M9

Attention: Erik Bakke, Managing Director
Email: [Redacted – email address]

Canaccord Genuity Corp.
Suite 2400
520 – 3rd Avenue SW
Calgary, Alberta T2P 0R3

Attention: Andrew D. Birkby, Managing Director
Email: [Redacted – email address]

ATB Capital Markets Inc.
Suite 410
585 – 8th Avenue SW
Calgary, Alberta T2P 1G1

Attention: Patrick Stables, Managing Director, Investment Banking
Email: [Redacted – email address]

with a copy to:

McCarthy Tetrault LLP
Suite 4000
421 – 7th Avenue SW
Calgary, Alberta T2P 4K9

Attention: Gordon Cameron
Email: [Redacted – email address]

or to such other address as any of the parties may designate by giving notice to the others in accordance with this Section 27. Each notice shall be personally delivered to the addressee or sent by e-mail to the addressee. A notice which is personally delivered or delivered by e-mail shall, if delivered prior to 5:00 p.m. (Calgary time) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered.

28. Action by Underwriters

All steps which must or may be taken by the Underwriters in connection with this Agreement, with the exception of the matters relating to termination contemplated by Section 17, settlement of an indemnity claim contemplated by Section 18(b)(ii) and waiver of a condition of closing as contemplated by Section 16, shall be taken by the Co-Lead Underwriters, acting on behalf of themselves and the other Underwriters and the execution of this Agreement shall constitute the Corporation's authority for accepting notification of any such steps from, and for delivering the definitive documents relating to the Offering to, or to the account of, the Co-Lead Underwriters.

29. Acknowledgement by the Corporation

The Corporation hereby acknowledges that: (a) the purchase and sale of the Offered Units pursuant to this Agreement, including the determination of the Offering Price, is an arm's length commercial transaction between the Corporation, on the one hand, and each of the Underwriters and any affiliate through which it may be acting, on the other; (b) each of the Underwriters is acting as principal and not as an agent or fiduciary of the Corporation; (c) the engagement by the Corporation of each of the Underwriters in connection with the offering and sale of the Offered Units and the process leading up to the offering and sale thereof is as independent contractors and not in any other capacity; (d) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Corporation; and (e) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the Offering and the Corporation has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate. Furthermore, the Corporation agrees that it is solely responsible for making its own judgments in connection with the offering and sale of the Offered Units (irrespective of whether any of the Underwriters has advised or is currently advising the Corporation on related or other matters) and no Underwriter has any obligation to the Corporation with respect to the Offering except the obligations expressly set forth in this Agreement.

30. Underwriters' Activities

The Corporation acknowledges that the Underwriters and their affiliates carry on a range of businesses, including providing institutional and retail brokerage, investment advisory, research, investment management, securities lending and custodial services to clients and trading in financial products as agent or principal. It is possible that the Underwriters and other entities in their respective groups that carry on those businesses may hold long or short positions in securities of companies or other entities, which are or may be involved in the transactions contemplated in this Agreement and effect transactions in those securities for their own account or for the account of their respective clients. The Corporation agrees that these divisions and entities may hold such positions and effect such transactions without regard to the Corporation's interest under this Agreement.

31. Entire Agreement

This Agreement constitutes the entire agreement among the parties hereto relating to the purchase by, and sale of the Offered Units to, the Underwriters and the process leading thereto and supersedes all prior agreements between any of those parties with respect to their respective rights and obligations in respect of such transaction and the process leading thereto, including the engagement letter among the Corporation and PI Financial Corp. dated December 31, 2021 (the "**Engagement Letter**").

32. Counterparts

This Agreement may be executed and delivered (including by portable document format (PDF)) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

[Signature page follows]

Yours very truly,

PI FINANCIAL CORP.

By: (signed) "*Brad Ralph*"

Name: Brad Ralph

Title: Managing Director

**ACUMEN CAPITAL FINANCE PARTNERS
LIMITED**

By: (signed) "*Kelly Hughes*"

Name: Kelly Hughes

Title: Head of Investment Banking

HAYWOOD SECURITIES INC.

By: (signed) "*Erik Bakke*"

Name: Erik Bakke

Title: Managing Director

CANACCORD GENUITY CORP.

By: (signed) "*Andrew D. Birkby*"

Name: Andrew D. Birkby

Title: Managing Director

ATB CAPITAL MARKETS INC.

By: (signed) "*Patrick Stables*"

Name: Patrick Stables

Title: Managing Director, Investment
Banking

The foregoing offer is accepted and agreed to as of the date first above written.

SOURCE ROCK ROYALTIES LTD.

By: (signed) "*Brad Docherty*"

Name: Brad Docherty

Title: Chief Executive Officer

SCHEDULE "A"

UNITED STATES OFFERS AND SALES

1. Definitions

As used in this Schedule and related exhibits, the following terms shall have the meanings indicated:

"Directed Selling Efforts" means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S, which, without limiting the foregoing, but for greater clarity in this Schedule, includes, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Offered Units and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the Offering;

"Disqualification Event" means any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D;

"Foreign Private Issuer" means a "foreign private issuer" as that term is defined in Rule 405 under the U.S. Securities Act;

"General Solicitation" and **"General Advertising"** mean "general solicitation" and "general advertising", respectively, as used in Rule 502(c) under the U.S. Securities Act, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

"Investment Company Act" means the U.S. Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder;

"Offshore Transaction" means and "offshore transaction" as that term is defined in Rule 902(h) of Regulation S;

"Qualified Institutional Buyer" means a "qualified institutional buyer" as such term is defined in Rule 144A;

"Regulation S" means Regulation S adopted by the SEC under the U.S. Securities Act;

"Substantial U.S. Market Interest" means "substantial U.S. market interest" as that term is defined in Rule 902(j) of Regulation S;

"United States" means "United States" as that term is defined in Rule 902(l) of Regulation S;

"U.S. Accredited Investor" means an "accredited investor" within the meaning of Rule 501(a) of Regulation D;

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“U.S. Affiliate” of any Underwriter means the U.S. registered broker-dealer affiliate of such Underwriter;

“U.S. Purchasers” means purchasers of Offered Units in the Offering who are in the United States, were offered Offered Units in the United States, or placed their order to purchase the Offered Units from within the United States; and

“U.S. Purchaser’s Letter” means the Qualified Institutional Buyer Letter or Subscription Agreement for Accredited Investors, as the case may be, in substantially the same form appended to the Final U.S. Placement Memorandum as Exhibits **I and II** thereto, respectively.

All other capitalized terms used but not otherwise defined in this Schedule shall have the meanings given to them in the Underwriting Agreement to which this Schedule is attached and of which this Schedule forms a part.

2. **Representations, Warranties and Covenants of the Corporation**

The Corporation represents, warrants and covenants to the Underwriters and their U.S. Affiliates that:

- (a) it is, and at each closing will be, a Foreign Private Issuer and reasonably believes that there is no Substantial U.S. Market Interest with respect to the Offered Units;
- (b) it acknowledges that the Offered Units have not been and will not be registered under the U.S. Securities Act or any state securities laws and that the Offered Units may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. Except with respect to offers and sales in accordance with the Underwriting Agreement (including this Schedule “A”) to, or for the account or benefit of, persons in the United States or U.S. persons that are (i) Qualified Institutional Buyers in reliance upon the exemption from registration provided by Rule 144A, and (ii) Substituted Purchasers that are U.S. Accredited Investors in reliance on Rule 506(b) of Regulation D, and, in each case, pursuant to similar exemptions under applicable state securities laws, neither the Corporation nor any of its affiliates, nor any person acting on any their behalf (other than the Underwriters, the U.S. Affiliates or any members of the banking and the selling group formed by them (the **“Selling Group”**), as to whom the Corporation makes no representation), has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any of the Offered Units to, or for the account or benefit of, a person in the United States or a U.S. Person; or (B) any sale of the Offered Units unless, at the time the buy order was or will have been originated, the purchaser is (i) outside the United States and not a U.S. Person, or (ii) the Corporation, its affiliates, and any person acting on any of their behalf reasonably believe that the purchaser is outside the United States and not a U.S. Person;
- (c) in connection with offers and sales of the Offered Units outside the United States, the Corporation, each of its affiliates, and any person acting on its or their behalf (other than the Underwriters and their U.S. Affiliates or any Selling Group member, as to which no representation, warranty, covenant or agreement is made) have

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complied and will comply with the requirements for an “offshore transaction” (as that term is defined in Rule 902(h) of Regulation S);

- (d) none of the Corporation, any of its affiliates or any person acting on its or their behalf (other than the Underwriters, the U.S. Affiliates or any members of the Selling Group, as to whom the Corporation makes no representation) (i) has offered or will knowingly offer to sell, or has solicited or will solicit offers to buy, any of the Offered Units in the United States or to, or for the account or benefit of, U.S. Persons, by means of any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in connection with the offer or sale of the Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons; (ii) has engaged or will engage in any Directed Selling Efforts or has taken or will take any action (including the sale of securities to, or for the account or benefit of, persons in the United States or U.S. Persons) that would cause the exemptions afforded by Rule 144A or Rule 506(b) of Regulation D to become unavailable with respect to the offer and sale of the Offered Units, to, or for the account or benefit of U.S. Persons or which would cause the exclusion from such registration requirements set forth in Rule 903 of Regulation S to become unavailable with respect to the offer and sale of the Offered Units in Offshore Transactions outside the United States to non-U.S. Persons for offers and sales of the Offered Units pursuant to this Underwriting Agreement; or (iii) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with respect to the offer and sale of the Offered Units;
- (e) for so long as any of the Offered Units which have been sold in the United States in reliance upon Rule 144A are outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and if the Corporation is not subject to and in compliance with the reporting requirements of Section 13 or 15(d) of, or exempt from reporting pursuant to Rule 12g3-2(b) under, the U.S. Exchange Act, the Corporation will furnish to any holder of the Offered Units in the United States and any prospective purchaser of the Offered Units designated by such holder in the United States, upon request of such holder, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act (so long as such requirement is necessary in order to permit holders of the Offered Units to effect resales under Rule 144A);
- (f) the Corporation has not, for a period beginning thirty days prior to the commencement of the Offering, sold, offered for sale or solicited any offer to buy any of the Corporation’s securities and will not do so during the Offering or for a period of thirty days following the completion of this Offering in the United States in a manner that would be integrated with, and would cause the exemption provided by Rule 144A or Rule 506(b) of Regulation D to become unavailable with respect to, the offer and sale of the Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons as contemplated by this Underwriting Agreement;
- (g) none of the Corporation or any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D;

- (h) with respect to the Offered Units offered and sold in reliance on Rule 506(b) of Regulation D, none of the Corporation, any of its predecessors, any affiliated issuer that is issuing the Offered Units in this Offering, any director, executive officer, or other officer of the Corporation participating in the Offering, any beneficial owner of 20% or more of the Corporation's outstanding voting equity securities, calculated on the basis of voting power, or any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Corporation in any capacity at the time of sale of the Offered Units (but excluding the Regulation D Underwriters (as defined below), as to whom no representation, warranty or covenant is made) (each, a **"Corporation Covered Person"** and, collectively, the **"Corporation Covered Persons"**) is subject to a Disqualification Event. The Corporation will notify the Underwriters in writing, prior to any Closing Date of (i) any Disqualification Event relating to a Corporation Covered Person not previously disclosed to the Underwriters in accordance with this section, and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Corporation Covered Person. As of any Closing Date, the Corporation is not aware of any person (other than any Regulation D Underwriter Covered Person (as defined below)) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the offer and sale of any of the Offered Units pursuant to Rule 506(b) of Regulation D;
- (i) the Common Shares, Warrants, Additional Common Shares, Additional Warrants, Warrant Shares and Additional Warrant Shares are not, and as of the Closing Time or the Option Closing Time, as the case may be, will not be, and no securities of the same class as the Common Shares, Warrants, Additional Common Shares, Additional Warrants, Warrant Shares and Additional Warrant Shares are:
 - (i) listed on a national securities exchange in the United States registered under Section 6 of the U.S. Exchange Act; (ii) quoted in an "automated inter-dealer quotation system", as such term is used in the U.S. Exchange Act; or (iii) convertible or exchangeable into, or exercisable for, securities so listed or quoted at an effective conversion or exercise premium (calculated as specified in paragraph (a)(6) and 22 of Rule 144A) upon issuance of less than ten percent for securities so listed or quoted;
 - (ii) in connection with the initial resale of the Offered Units to Qualified Institutional Buyers in the Offering, the Corporation shall make available to such Qualified Institutional Buyers the information required to be provided pursuant to Rule 144A(d)(4) under the U.S. Securities Act;
 - (iii) the Corporation is not, and after giving effect to the Offering and the application of the proceeds as described in the Final Prospectus will not be, registered as an investment company nor will it be required to register as an investment company within the meaning of the Investment Company Act; and
 - (iv) none of the Corporation's securities are registered or are required to be registered under Section 12 of the U.S. Exchange Act and the Corporation does not, and will not upon the offer and sale of the Offered Units, have a reporting obligation under Section 13 or Section 15(d) of the U.S. Exchange Act.

- (j) none of the Corporation or any of its predecessors or affiliates has had the registration of a class of securities under the U.S. Exchange Act revoked by the SEC pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated thereunder; and
- (k) the Corporation will, with the reasonably requested assistance and information from the Underwriters and U.S. Affiliates, as applicable, file within the prescribed time period(s) a Notice of Sales on Form D as required by Rule 503 of Regulation D with the SEC and any required filings with any applicable state securities commissions in connection with any sales of Offered Units to Accredited Investors pursuant to Rule 506(b) of Regulation D.

3. Representations, Warranties and Covenants of the Underwriters

Each Underwriter and U.S. Affiliate jointly and not severally (but not jointly with any other Underwriter or its respective U.S. Affiliate), acknowledges, represents, warrants and covenants to the Corporation that:

- (a) the Offered Units and underlying securities thereof have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. The Offered Units sold to persons in the United States or U.S. Persons will be "restricted securities" within the meaning of Rule 144(a)(3) under the 1933 Act and that Offered Units sold under Rule 506(b) of Regulation D will bear a legend to such effect. It has offered for sale the Offered Units only as follows: (a) in Offshore Transactions in accordance with Rule 903 of Regulation S; or (b) offers of the Offered Units to, or for the account or benefit of, persons in the United States and U.S. Persons that are (i) Qualified Institutional Buyers, and (ii) Substituted Purchasers that are U.S. Accredited Investors purchasing in transactions that are exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 144A and Rule 506(b) of Regulation D, respectively, and similar exemptions under applicable U.S. state securities laws, as provided in the paragraphs set forth below. Accordingly, none of the Underwriters, its U.S. Affiliate, any of their affiliates or any persons acting on behalf of any of them, has made or will make (except as permitted in the paragraphs set forth below) any: (x) offer to sell, or any solicitation of an offer to buy, any of the Offered Units to, or for the account or benefit of, any person in the United States or any U.S. Person; (y) any sale of the Offered Units to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States and not a U.S. Person, or such Underwriter, U.S. Affiliate, affiliate or person acting on any of their behalf reasonably believed that such purchaser was outside the United States and not a U.S. Person; or (z) Directed Selling Efforts;
- (b) the sale of the Offered Units in the United States or to, or for the account or benefit of, U.S. Persons will be made only by the Underwriters or their respective U.S. Affiliates, acting as agents, (i) pursuant to Rule 144A to persons who are, or are reasonably believed by them to be, Qualified Institutional Buyers, or (ii) pursuant to Rule 506(b) of Regulation D to Substituted Purchasers that are U.S. Accredited Investors, and in each case, in compliance with any applicable state securities laws of the United States. The Offered Units sold to persons in the United States or U.S.

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Persons will be “restricted securities” within the meaning of Rule 144(a)(3) under the 1933 Act and that Offered Units sold under Rule 506(b) of Regulation D will bear a legend to such effect. Each Qualified Institutional Buyer and each U.S. Accredited Investor shall have made the representations, warranties and agreement set forth in the U.S. Purchaser’s Letter;

- (c) it and its affiliates, including its U.S. Affiliate, have not, (i) either directly, or through a person acting on its or their behalf solicited and will not solicit offers for, and have not offered to sell and will not offer to sell, any of the Offered Units in the United States by any form of General Solicitation or General Advertising, Directed Selling Efforts or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in connection with the offer or sale of the Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons, or (ii) has taken or will take any action (including the sale of securities to, or for the account or benefit of, persons in the United States or U.S. Persons) that would cause the exemptions afforded by Rule 144A and Rule 506(b) of Regulation D to become unavailable with respect to the offer and sale of the Offered Units, to, or for the account or benefit of U.S. Persons or that would cause the exclusion from such registration requirements set forth in Rule 903 of Regulation S to become unavailable with respect to the offer and sale of the Offered Units in Offshore Transactions outside the United States to non-U.S. Persons for offers and sales of the Offered Units pursuant to this Underwriting Agreement;
- (d) it has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Units, except with its U.S. Affiliate, any Selling Group members or with the prior written consent of the Corporation;
- (e) it shall cause its U.S. Affiliate to agree, and it shall require each Selling Group member to agree, for the benefit of the Corporation, to comply with, and shall cause its U.S. Affiliate and shall use its commercially reasonable efforts to ensure that, each Selling Group member complies with, the provisions of this Schedule “A” applicable to the Underwriter as if such provisions applied to such U.S. Affiliate or Selling Group member, as applicable;
- (f) on the dates of such offers and sales the Underwriter’s U.S. Affiliate was and will be duly registered as a broker-dealer under the U.S. Exchange Act and under all applicable state securities laws (unless exempt therefrom) and a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc.;
- (g) all offers and sales of Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons have been and shall be made by the Underwriter by or through its U.S. Affiliate (the “Underwriters U.S. Affiliate”) in accordance with all applicable broker-dealer laws and regulations and in compliance with this Schedule “A”;
- (h) each U.S. Affiliate selling the Offered Units to Qualified Institutional Buyers pursuant to Rule 144A in the United States is a Qualified Institutional Buyer;
- (i) it has informed or will inform (and has caused or will cause its U.S. Affiliate to inform, as applicable) all U.S. Purchasers or purchasing for the account or benefit

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of U.S. Persons or who were purchasing the Offered Units in the United States that the Offered Units and the underlying securities thereof have not been and will not be registered under the U.S. Securities Act and are being offered and sold to such purchasers without registration in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A and 506(b) of Regulation D of the U.S. Securities Act and in compliance with U.S. state securities laws, as applicable,; and that the Offered Units sold to persons in the United States will be “restricted securities” as defined in Rule 144(a)(3) under the U.S. Securities Act and may not be exercised, offered, sold, pledged or otherwise transferred except pursuant to a registration statement under United States federal and state securities laws or an available exemption from such registration requirements and in compliance with the restrictions set forth in the documents and agreements governing such securities;

- (j) none of the Underwriter, its U.S. Affiliate or any person acting on any of their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offering of the Offered Units contemplated hereby
- (k) with respect to the Offered Units offered in reliance on Rule 506(b) of Regulation D, neither the Underwriter nor its affiliates (including its U.S. Affiliate) (collectively, the “**Regulation D Underwriters**”), any general partner or managing member of the Regulation D Underwriters, any director, executive officer or other officer of the Regulation D Underwriters participating in the offering of the Offered Units or general partner or managing member of the Regulation D Underwriters or any officer, employee or agent of the Regulation D Underwriters or general partner or managing member of the Regulation D Underwriters that have been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the offer and sale of any of the Offered Units (each, a “**Regulation D Underwriter Covered Person**” and collectively, the “**Regulation D Underwriter Covered Persons**”) is subject to any Disqualification Event, except for a Disqualification Event contemplated by Rule 506(d)(2) of the 1933 Act and a description of which has been furnished in writing to the Corporation prior to the date hereof. Each Regulation D Underwriter will notify the Corporation in writing, prior to any Closing Date of (i) any Disqualification Event relating to any Regulation D Underwriter Covered Person not previously disclosed to the Corporation in accordance with this section, and (ii) any event that would, with the passage of time, become a Disqualified Event relating to any Regulation D Underwriter Covered Person. As of the Closing Date, the Underwriter is not aware of any person (other than any Regulation D Underwriter Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of U.S. Purchasers in connection with the offer and sale of any of the Offered Units pursuant to Rule 506(b) of Regulation D;
- (l) it has caused or shall cause its U.S. Affiliate to deliver (i) a copy of the Preliminary U.S. Placement Memorandum or the Final U.S. Placement Memorandum, to each of its offerees in the United States, or that is purchasing for the account or benefit of a U.S. Person, and (ii) a copy of the Final U.S. Placement Memorandum to each U.S. Purchaser at or prior to the time of purchase of Offered Units, and no other written material other than the U.S. Placement Memorandum and the Corporation Marketing Materials has been or shall be used in connection with the offer or sale of the Offered Units in the United States;

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- (m) offers and sales of the Offered Units in the United States shall be made in accordance with exemptions from the registration or qualification requirements of all applicable state securities ("Blue Sky") laws;
- (n) it acknowledges that until 40 days after the commencement of the offering of the Offered Units, an offer or sale of the Offered Units within the United States by any dealer (whether or not participating in this Offering) may violate the registration requirement of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement of the U.S. Securities Act;
- (o) at Closing Time and the Option Closing Time, as the case may be, it, together with its U.S. Affiliate offering or selling Offered Units in the United States or to or for the account or benefit of U.S. Persons, will provide a certificate, substantially in the form of Exhibit I to this Schedule "A", relating to the manner of the offer and sale of the Offered Units in the United States or will be deemed to have represented and warranted for the benefit of the Corporation that neither it nor its U.S. Affiliate offered or sold any of the Offered Units to, or for the account or benefit of, persons in the United States or U.S. Persons; and
- (p) it will not complete a sale of Offered Units to any purchaser in the United States unless it has received and it has delivered to the Corporation, prior to the Closing Time, a signed copy of each U.S. Purchaser's Letter, from each of the U.S. Purchasers to which it sold Offered Units.

EXHIBIT I

UNDERWRITERS' CERTIFICATE

In connection with the offer and sale, under Rule 144A and/or Rule 506(b) of Regulation D, of Units of Source Rock Royalties Ltd. (the "**Corporation**") in the United States pursuant to the Underwriting Agreement dated as of February 23, 2022 among the Corporation and the underwriters party thereto (the "**Underwriting Agreement**"), the undersigned [**name of Underwriter**] (the "**Underwriter**") and [**name of U.S. affiliate of Underwriter**], in its capacity as placement agent in the United States for the Underwriter (the "**U.S. Affiliate**"), each hereby certifies that:

- (a) all offers to sell, solicitations of offers to buy and sales of the Offered Units to, or for the account or benefit of, persons in the United States were made only by or through the U.S. Affiliate in compliance with all applicable United States state and federal broker-dealer requirements. The U.S. Affiliate is, and was at all relevant times, a Qualified Institutional Buyer, a duly registered broker or dealer with the SEC and in each state applicable to the U.S. Affiliate (unless exempt therefrom) and a member of and in good standing with the Financial Industry Regulatory Authority, Inc.;
- (b) all offers and sales of the Offered Units, to or for the account or benefit of, persons in the United States have been conducted by us in accordance with the Underwriting Agreement, including Schedule "A" thereto;
- (c) each offeree that was in the United States or that was, or that was acting for the account or benefit of, a U.S. Person was provided with a copy of a Preliminary Prospectus, and each purchaser of the Offered Units that was in the United States or that was a U.S. Person (and each purchaser of the Offered Units that was offered Offered Units for the account or benefit of a U.S. person or a person in the United States) was provided with a copy of the Prospectus, and no other written material was used in connection with the offer and sale to any such purchaser.
- (d) immediately prior to our making of any offers of Offered Units to or for the account or benefit of offerees in the United States, we had reasonable grounds to believe and did believe that each such offeree was a Qualified Institutional Buyer or U.S. Accredited Investor, and, on the date hereof, we have reasonable grounds to believe and continue to believe that each U.S. Purchaser of Offered Units is a Qualified Institutional Buyer or an Accredited Investor;
- (e) no form of General Solicitation or General Advertising was used by us in connection with the offer or sale of the Offered Units to or for the account or benefit of, persons in the United States and we did not engage in any Directed Selling Efforts in the United States in connection with the offer or sale of the Offered Units; and
- (f) prior to any sale by us of Offered Units to, or for the account or benefit of, a person in the United States, each U.S. Purchaser provided an executed U.S. Purchaser Letter, and we provided the Corporation with copies of all such completed and executed U.S. Purchaser's Letters.

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Terms used in this certificate have the meanings given to them in the Underwriting Agreement unless otherwise defined herein.

[Signature page follows]

Dated this ____ day of _____, 2022

[NAME OF UNDERWRITER]

[INSERT NAME OF U.S. AFFILIATE]

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE "B"

FORM OF LOCK-UP AGREEMENT

_____, 2022

To: PI Financial Corp.
Acumen Capital Finance Partners Limited (the "**Co-Lead Underwriters**")

Re: Source Rock Royalties Ltd. – Lock-up Agreement

The undersigned understands that this lock-up agreement (the "**Lock-Up Agreement**") is being delivered to you in connection with the Underwriting Agreement dated February __, 2022 (the "**Underwriting Agreement**") entered into by Source Rock Royalties Ltd. (the "**Corporation**") and the Underwriters (as defined in the Underwriting Agreement), with respect to the public offering (the "**Offering**") of common shares in the capital of the Corporation (the "**Shares**"). The undersigned is the registered or beneficial owner of certain Shares or securities convertible into or exchangeable or exercisable for Shares as set forth herein (the "**Locked Up Securities**").

In consideration of the benefit that the Offering will confer upon the undersigned as a [**director and/or officer**] of the Corporation, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agrees not (and shall cause its affiliates not) to, directly or indirectly, offer, sell, contract to sell, transfer, assign, pledge, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any Locked Up Securities or any other voting or equity securities of the Corporation or any subsidiary of or successor to the Corporation, whether currently owned or hereafter acquired, directly or indirectly, or under its control or direction, or with respect to which it has beneficial ownership, or enter into any swap, forward, transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences associated with the ownership of the Locked Up Securities, whether such transaction is settled by the delivery of Locked Up Securities, other securities, cash or otherwise, without, in each case, the prior written consent of the Co-Lead Underwriters, on behalf of the Underwriters, such consent not to be unreasonably withheld, for a period commencing on the date hereof and continuing for a period of 180 days after the date hereof.

The foregoing paragraph shall not apply to: (i) any transfer of Shares pursuant to a bona fide third party take-over bid, merger, plan of arrangement or other transaction made to all holders of Shares of the Corporation, provided that in the event that the take-over bid, merger, plan of arrangement or other such transaction is not completed, the Locked Up Securities owned by the undersigned shall remain subject to the restrictions contained in this Lock-Up Agreement; or (ii) any exercise of a stock option outstanding as of the date hereof, provided that any Shares acquired pursuant to any such exercise shall be subject to the transfer restrictions contained in this Lock-Up Agreement.

The undersigned hereby represents and warrants that it has full power and authority to enter into this Lock-Up Agreement, and that, upon the reasonable request of the Corporation or the Co-Lead Underwriters, on behalf of the Underwriters, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement hereof. All authority herein conferred or agreed to be conferred shall survive the death, dissolution or incapacity of the undersigned.

In addition, the undersigned hereby waives any and all pre-emptive rights, participation rights, resale rights, rights of first refusal and similar rights that the undersigned may have in connection with the Offering or with any issuance or sale by the Corporation of any equity or other securities in connection with the Offering.

The undersigned hereby confirms that the undersigned has not, directly or indirectly, taken, and hereby covenants that the undersigned will not, directly or indirectly, take, any action designed, or which has constituted or will constitute or might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Corporation to facilitate the sale or resale of the Shares.

The undersigned understands that the Corporation and the Underwriters are relying upon this Lock-Up Agreement in proceeding toward the consummation of the Offering. The undersigned further understands that this Lock-Up Agreement is irrevocable and shall be binding upon the undersigned's legal representatives, successors, and assigns, and shall enure to the benefit of the Corporation, the Underwriters and their legal representatives, successors and assigns. The obligations of the undersigned pursuant to this Lock-Up Agreement may be waived in writing in whole or in part by the Co-Lead Underwriters in their sole discretion. This Lock-Up Agreement is governed by the laws of the Province of Alberta and the laws of Canada applicable therein.

Yours very truly,

Witness

Name

Number and type of Locked Up Securities
subject to this Lock-Up Agreement