

Form 13-31
(Rule 13-31)

COURT FILE NUMBER Q.B. No. 733 of 2021
COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE SASKATOON
APPLICANT ABBEY RESOURCES CORP.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, c C-36, AS AMENDED (the "CCAA")

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF ABBEY RESOURCES CORP.

THIRD AFFIDAVIT OF JAMES GETTIS

I, James Gettis, of the City of Calgary, in the Province of Alberta, make oath and say as follows:

1. I am the President and sole director of Abbey Resources Corp. (the "**Company**"), and as such, I have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be on information and belief, and whereso stated, I verily believe the same to be true.
2. Capitalized terms in this Affidavit have the same meanings ascribed to them in my Affidavit dated July 13, 2021, (the "**First Gettis Affidavit**") filed in these proceedings.
3. I have reviewed the following Affidavits: the July 26, 2021, Affidavit of Yvonne Nelson filed on behalf of the R.M. of Lacadena (the "**Nelson Affidavit**"), the July 26, 2021, Affidavit of Scott Weaver filed on behalf of the Ministry of Energy and Resources (the "**Weaver Affidavit**"), the July 26, 2021, Affidavit of Karen Paz filed on behalf of the R.M. of Miry Creek (the "**Paz Affidavit**"), the July 27, 2021, Affidavit of Brian Shauf, filed on behalf of the R.M. of Snipe Lake, and the July 26, 2021, Affidavit of Scott Eashappie, filed on behalf of the CTK First Nation (collectively, the "**Respondent Affidavits**").
4. I make this Affidavit in reply to the Respondent Affidavits and further to certain of my remarks in the First Gettis Affidavit.

Abbey - Optimum Transaction

5. I make the following paragraphs in reply to paragraph 15 (c) of the Weaver Affidavit and paragraph 19 of the Paz Affidavit, which concern a November 1, 2020, transaction between the Company and Optimum PSI.

6. In addition to my executive role with the Company, I also serve as the President and director of Optimum PSI, which is a related party to the Company. Optimum PSI is incorporated federally pursuant to the *Canadian Business Corporations Act*, RSC 1985, c C-44, and is registered to conduct business in Saskatchewan under Saskatchewan's *The Business Corporations Act*, RSS 1978, c B-10. Attached as Exhibit "**A**" to this Affidavit is a copy of a corporate registry search result for Optimum PSI in Saskatchewan.
7. I have the authority to make decisions on behalf of Optimum PSI by virtue of my status as the sole officer and director of that corporation.
8. In mid-2020, the Company solicited a tax opinion from Ted F. Finningley, a Chartered Professional Accountant and Trust and Estate Practitioner. On August 12, 2020, Mr. Finningley sent the Company a tax opinion letter. I am attaching a copy of the said August 12, 2020, opinion letter as Exhibit "**B**" of this Affidavit.
9. On the basis of Mr. Finningley's advice, I determined that it was in the best interest of the Company to convey legal and beneficial ownership of its tangible property to Optimum PSI. Accordingly, in my capacity as officer and director for both Optimum PSI and the Company, I caused Optimum PSI and the Company to enter into a transaction which closed on November 1, 2020, to convey certain assets belonging to the Company to Optimum PSI (the "**Abbey - Optimum Transaction**").
10. The Abbey - Optimum Transaction was effected pursuant to a Purchase and Sale Agreement dated November 1, 2020, (the "**PSA Agreement**"). Concurrent with the PSA Agreement, the Company and Optimum PSI entered into a Right of Use Agreement dated November 1, 2020 (the "**Rental Agreement**"), which entitled the Company to the exclusive use of the assets transferred pursuant to the PSA Agreement (the "**Transferred Assets**"). Copies of the PSA Agreement and Right of Use Agreement are attached, collectively, as Exhibit "**C**" to this Affidavit.
11. It was never the intention of the Company to deprive any of the Company's creditors or stakeholders in concluding the Abbey - Optimum Transaction.
12. The Transferred Assets were comprised of four categories of property: (i) certain equipment no longer in use by the Company (the "**Surplus Equipment**"); (ii) equipment that the company continues to use in its operations (the "**Operating Equipment**"); (iii) vehicles and trailers (the "**Mobile Equipment**"); and (iv), an assigned commercial lease and option to purchase.
13. The Surplus Equipment and Operating Equipment are comprised of the equipment originally acquired by the Company in the Husky Transaction and the Enerplus Transaction. Assets acquired in the Shackleton LP transaction were not included in the Transferred Assets.

14. The Company and Optimum PSI concluded this transaction without the assistance of legal counsel. Both the PSA Agreement and the Rental Agreement were drafted internally.
15. The Company derived valuations for the Surplus Equipment and Operating Equipment from appraisals obtained from Fuelled Appraisals, a Calgary-based appraiser specializing in oil and gas equipment.
16. Save for the two exceptions discussed below, the overwhelming majority of the Transferred Assets remain in place and have not moved since the closing of the Abbey - Optimum Transaction.
17. Optimum PSI entered into two transactions to sell certain pieces of the Surplus Equipment in June of 2021. First, Optimum PSI entered into a transaction to sell a surplus Jenbacher engine to Steel Reef Infrastructure Corporation ("**Steel Reef**") for a purchase price of \$65,000, less a 15% commission payable to a broker. Certain components of the engine have been removed by Steel Reef, but the engine remains largely intact and on-site. Steel Reef has not yet paid the purchase price for this asset, but it has solicited an invoice from Optimum PSI and has indicated that it remains willing to close this transaction.
18. Second, Optimum PSI entered into a transaction to sell a fuel gas filter skid to XTO Energy Inc. ("**XTO**") for a purchase price of \$17,500, less a 15% commission to a broker. The fuel gas filter skid was removed by XTO on or about July 16, 2021. Optimum PSI has not yet received net sale proceeds from the transaction concluded with XTO.

Unwinding the Abbey - Optimum Transaction

19. It is the intention of both Optimum PSI and the Company to ensure that legal and beneficial ownership of the Transferred Assets (and all net sale proceeds generated therefrom) reverts back to the Company in the immediate future. To be clear, both Optimum PSI and the Company seek to unwind the Abbey - Optimum Transaction to the greatest extent possible as soon as is practicable under the circumstances. I am advised by the Company's solicitors at DLA Piper (Canada) LLP, and verily believe it to be true, that it may be possible to unwind the Abbey - Optimum Transaction by way of a further agreement between both parties, or by way of an Order of this Honourable Court made in CCAA proceedings.
20. The Company and Optimum PSI intend to work with the Company's legal counsel and in consultation with the Proposed Monitor to determine the most practical, expeditious, and cost-effective means by which to unwind the Abbey - Optimum Transaction. It is also the intention of the Company and Optimum PSI to ensure that the process by which the Transferred Assets return to the Company is conducted transparently and in plain view of the Court and the Company's stakeholders.

Twin Eagle Debenture

21. In reply to paragraph 15 (a) of the Weaver Affidavit, I note that the \$545,526 amount reported in the Company's Condensed Interim Financial Statements as at July 21, 2020, corresponds to the value of pre-paid gas not yet delivered to Twin Eagle pursuant to the November 2017 Pre-Paid Gas Agreement. I note that this balance declined to \$435,314 in the 2020 Financial Statement. This balance has declined further, as the Company has continued to deliver natural gas to Twin Eagle in accordance with its covenant pursuant to the November 2017 Prepaid Gas Agreement to deliver gas produced from the Shackleton LP Assets to Twin Eagle. A copy of the November 2017 Prepaid Gas Agreement is attached as Exhibit "D" of this Affidavit. I reiterate paragraph 42 of the First Gettis Affidavit, wherein I noted that the Company's obligation to deliver natural gas to Twin Eagle pursuant to the November 2017 Prepaid Gas Agreement will expire on October 31, 2021.

Bluestone Payments

22. In reply to paragraph 15 (b) of the Weaver Affidavit, I confirm that the \$26,058 figure described therein corresponds to the amount paid to Bluestone for my managerial services. As is noted in the Weaver Affidavit, the scope of my managerial services is not clearly delineated by the consulting agreement concluded between the Company and Bluestone in 2010. However, the terms of that agreement were concluded years prior to the Company's acquisition of its assets at a point where the nature, extent, and scope of the Company's operations were as-yet undetermined.

23. In further reply to paragraph 15 (b) of the Weaver Affidavit, and further to my remarks at paragraphs 2 and 38 of the First Gettis Affidavit, I note that my duties as the Company's President and sole director are extensive and include, without limitation, management of the Company's day-to-day operations and all managerial works conducted in furtherance of the Company's years-long goal of restructuring its operations to become profitable. In addition to managerial services, I regularly provide engineering services to the Company in my capacity as a licensed Professional Engineer.

24. Furthermore, I am not directly remunerated in my capacity as a director of the Company, despite the fact that I have exposed myself to personal liability by electing to serve the Company and its stakeholders in that capacity.

25. Excluding any compensation in shares or stock options (the value of which are currently negligible), the consulting fees paid to Bluestone referenced in both paragraph 15 (b) of the Weaver Affidavit and paragraph 38 of the First Gettis Affidavit constitute the whole of my remuneration and compensation for all of the risks I have assumed and all works performed by myself in furtherance of the Company's aims in my capacities as an executive, Professional Engineer, and director. To the extent that I am paid (through Bluestone) for the executive-level work that I perform in furtherance of the Company's aims

and in exchange for the risks that I personally assume, the remark that I continue “to pay myself” contained in paragraph 15 of the Nelson Affidavit is correct.

Decommissioning Liabilities

26. I note that paragraph 7 of the Weaver Affidavit makes reference to my remark at paragraph 62 of the First Gettis Affidavit concerning information disclosed on the MOE’s LLR Summary appeared to indicate that an additional security deposit of \$6,046,330.25 would be required for the Company’s security adjusted LLR to equal 1.00. To be clear, my remark at paragraph 62 of the First Gettis Affidavit was made under the assumption that the MOE was taking the position that total decommissioning liabilities were estimated to stand at \$79,289,000 (i.e. the figure disclosed in the MOE’s own Security Deposit Summary). However, from paragraph 8 of the Weaver Affidavit, it is now my understanding that the MOE is of the belief that decommissioning liabilities stand at \$50,000,000 or \$60,000,000 - i.e. approximately \$20,000,000 to \$30,000,000 less than the figure that would potentially require the Company to furnish an additional \$6,000,000 deposit to the Ministry.
27. In reply to paragraph 8 of the Weaver Affidavit, and further to my remarks at paragraph 77 of the First Gettis Affidavit, the Company disputes the MOE’s estimate of decommissioning costs at \$50,000,000 to \$60,000,000. The Company anticipates that decommissioning costs will amount to significantly less than \$50,000,000.
28. In support of this fact, I am attaching estimates obtained by the Company from independent contractors for the cost of capping and decommissioning certain of the Abbey Wells as Exhibit “E” of this Affidavit. I am also attaching an internally prepared spreadsheet summarizing the Company’s anticipated cost to abandon, decommission and reclaim 240 of the Abbey Wells as Exhibit “F” of this Affidavit. By the Company’s estimation, the Abbey Wells can be fully decommissioned and reclaimed for a cost of approximately \$10,600 to \$10,800 *per* well. Extrapolating an average cost of \$10,700 to the 2,363 Abbey Wells leads to a total decommissioning liability of \$25,284,100 for the Abbey Wells.

Creditor R.M. Settlements

29. In reply to paragraphs 14 and 21 of the Nelson Affidavit, I note that the R.M. of Lacadena has omitted important details regarding the most recent agreement concluded between the Company and the R.M. of Lacadena. Contrary to paragraph 21 of the Nelson Affidavit, the Company had, in fact, agreed to pay the R.M. of Lacadena amounts payable towards tax arrears prior to the R.M. of Lacadena’s interception of funds payable to the Company by Twin Eagle. I am attaching a copy of an email exchange between counsel for the R.M. of Lacadena and counsel for the Company dating from April of 2021 as Exhibit “G” of this Affidavit. Therein, counsel for the R.M. of Lacadena proposed that the Company begin to pay the R.M. of Lacadena the sum of \$50,000 *per* month beginning on April 16, 2021. Counsel for the

Company confirmed that the Company would be in a position to begin to pay \$50,000 *per* month to the R.M. of Lacadena as soon as possible following April 25, 2021 (i.e. the date upon which the Company would receipt its April sales revenues).

30. Evidently, the R.M. of Lacadena was unwilling to wait 9 additional days to conclude the agreement that the Company had accepted, as the R.M. of Lacadena proceeded to intercept and withhold the Company's April revenues on or about April 26, 2021. It was against this backdrop that the Company was left with no choice but to agree to pay the R.M. of Lacadena the sum of \$100,000 *per* month, despite the fact that the R.M. of Lacadena had been willing to accept half this figure weeks prior to the conclusion of the May of 2021 Minutes of Settlement attached as Exhibit "C" to the Nelson Affidavit.

Prior Restructuring Efforts

31. As is discussed in the Respondent Affidavits, the Company has previously made good faith efforts to restructure its affairs by seeking to reach reasonable compromises with the Creditor R.M.s and the CTK First Nation. Unfortunately, such efforts on behalf of the Company have not yet yielded a productive result. The lack of progress made in informal restructuring efforts, coupled with the Company's liquidity crisis, is precisely the reason why the Company is seeking to restructure its financial affairs in CCAA proceedings.
32. I note that none of the Respondent Affidavits make reference to the fact that the Company's previous efforts to restructure were conducted during years of historically low natural gas prices and during the tumult of the COVID-19 crisis. The Company anticipates that its financial position will improve in the near future. Fortunately, natural gas prices have increased in recent months and have consistently exceeded \$3.00/GJ in recent weeks. The Company anticipates that, with rising natural gas prices, its sales revenues will begin to increase significantly beginning in November of 2021. I note that the Company currently maintains a natural gas price hedge at \$2.65/GJ - I am attaching the instrument formalizing this hedge with Twin Eagle as Exhibit "H" of this Affidavit. This price hedge expires on October 31, 2021. If natural gas prices continue to exceed \$3.50/GJ, the Company could see its monthly revenues increase to in excess of \$1,100,000 beginning in November of 2021 (assuming average production remains at in excess of 11,000 GJ/day).
33. Additionally, the Company wishes to explore other options not readily available to it outside of CCAA proceedings which were not discussed in the First Gettis Affidavit. For instance, the Company wishes to explore the possibility of facilitating the orderly, un-forced sale of the Surplus Equipment (following its return to the Company) to generate revenues to allocate towards the immediate decommissioning and reclamation. I note that the Surplus Equipment was independently valued at \$1,858,500. Assuming, conservatively, that the Company is able to generate net sales revenue of \$1,200,000 from the orderly sale of Surplus Equipment in CCAA proceedings, the Company will be able to decommission

over 100 of the Abbey Wells (using the \$10,700 estimate discussed above). Decommissioning even 100 wells would significantly reduce the Company's fixed costs.

34. With improved revenues and decreased fixed costs, the Company will be in a position to offer superior terms to its various creditors compared to the terms it was able to offer between 2018 - 2020. This is to say, the informal restructuring proposals made by the Company previously are not indicative of the arrangement the Company hopes to put forth in these proceedings.

Human Resources Structure

35. I wish to provide clarification to my remarks in paragraph 10 of the First Gettis Affidavit. There, I characterized the individuals who provide services to the Company (in most cases, exclusively to the Company) as the Company's employees. I wish to clarify that certain of the Company's staff members are paid as independent contractors, and not as employees of the Company. Specifically, of the individuals referred to in paragraph 10 of the First Gettis Affidavit: 6 staff members working at the Company's Swift Current facility are paid as employees; 5 managerial and administrative staff members working at the Company's Calgary head office are paid as independent contractors; and, 11 field operators working full-time for the Company in Saskatchewan are paid as independent contractors.

Additional Surface Rights Issue

36. Since the filing of its Application for Initial Order, the Company has received notice from another surface rights owner advising that the Company will be denied access to its well sites until surface lease arrears are paid. The Company anticipates that, having been notified of these proceedings, surface rights owners will continue to notify the Company that its surface leases have been terminated, or that access will be denied so long as arrears remain outstanding. The Company is thus concerned that it will lose access to its productive assets if it is not afforded protection under the CCAA.

[Space Intentionally Left Blank - Execution to Follow on Next Page]

37. I make this Affidavit in support of the Company's Application for an Initial Order under the CCAA and for no other or improper purpose.

SWORN before me at the City of)
Calgary, in the Province of)
Alberta, this 28th day of)
July, 2021.)
_____)



James Gettis

A Commissioner for Oaths for
the Province of Alberta
My appointment expires: N/A
Or Being a Solicitor

CONTACT INFORMATION AND ADDRESS FOR SERVICE

Name of Firm:	DLA PIPER (CANADA) LLP
Name of lawyer in charge of file:	Jerritt R. Pawlyk / Kevin Hoy
Address of legal firm:	Suite 2700 10220 - 103rd Ave NW Edmonton, AB T5J 0K4
Telephone number:	780.429.6835
Facsimile:	780.670.4329
Email:	<u>jerritt.pawlyk@dlapiper.com</u> / <u>kevin.hoy@dlapiper.com</u>

CAN: 37757823.1

FORM PD1

(Enacted March 25, 2020)

(Amended August 7, 2020)

DECLARATION OF LAWYER WHO HAS WITNESSED DOCUMENTS

VIA ELECTRONIC MEANS

I Kevin Hoy, of Calgary, in the Province of Alberta, a Lawyer, did on July 28, 2021 witness James Gettis sign the following documents via electronic means:

1. Third Affidavit of James Gettis, dated July 28, 2021
- 2.
- 3.

Pursuant to Law Society of Saskatchewan Practice Directive 1, issued March 25, 2020 and amended on August 7, 2020, I have turned my mind to the risks associated with the witnessing of documents via electronic means. I have assessed the following risks, and have answered "yes" or "no" to indicate where I have identified concerns:

1. Have I identified any indicia that the transaction might be fraudulent? No
2. Did I identify concerns, including the physical presence of a third party in the company of my client while they were signing the documents, suggesting that there is a risk that the client may be subject to undue influence or duress? No
3. Did I identify concerns about my client's understanding about the documents they are executing? No
4. Did I identify concerns about my client not having an adequate opportunity to ask questions about the document being signed? No

Where I have indicated "yes" to the statements above, I managed the risks by the following means:

Attached hereto is a screen capture of my client with their photo identification that was presented to me via electronic means during the session where the above noted documents were executed.

I DO SOLEMNLY DECLARE that the statements contained in this form are complete and true in every respect. AND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

July 28, 2021

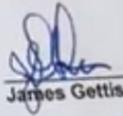
DATE



Signature of Lawyer

make this Affidavit in support of the Company's Application for an Initial Order under the CCAA and
no other or improper purpose.

RN before me at the City of
y, in the Province of
a, this 28th day of
021.


James Gettis

Commissioner for Oaths for
Province of Alberta
Appointment expires: _____
Solicitor

CONTACT INFORMATION AND ADDRESS FOR SERVICE

Firm:
Lawyer in charge of file:
Solicitor of legal firm:

Phone number:
Mobile:

DLA PIPER (CANADA) LLP
Jerritt R. Pawlyk / Kevin Hoy
Suite 2700
10220 - 103rd Ave NW
Edmonton, AB T5J 0K4
780.429.6835
780.670.4329
jerritt.pawlyk@dlapiper.com / kevin.hoy@dlapiper.com



THIS IS EXHIBIT "A" referred to in the Affidavit of **JAMES GETTIS** SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 28th day of July 2021.



A COMMISSIONER FOR OATHS in and for the Province of Alberta.
Being a Solicitor



Profile Report

Entity Number: 101172863

Page 1 of 2

Entity Name: OPTIMUM PETROLEUM SERVICES INC.

Report Date: 17-Jun-2021

Entity Details

Entity Type	Business Corporation
Entity Subtype	MRAS Corporation
Entity Status	Active
Registration Date	04-Nov-2010
Entity Number in Home Jurisdiction	768996-9
Entity Name in Home Jurisdiction	OPTIMUM PETROLEUM SERVICES INC.
Home Jurisdiction	Canada
Incorporation/Amalgamation Date in Home Jurisdiction	01-Nov-2010
Annual Return Due Date	31-Dec-2021
Nature of Business	GAS AND OIL SERVICE EQUIPMENT

Registered Office/Mailing Address

Physical Address	20 SILVERCREEK PLACE NW, CALGARY, Alberta, Canada, T3B5A2
Attention To	JAMES G. GETTIS
Mailing Address	OPTIMUM PETROLEUM SERVICES INC., BOX 610, SWIFT CURRENT, Saskatchewan, Canada, S9H 3W4

Directors/Officers

JAMES G. GETTIS (Director)

Physical Address:	20 SILVERCREEK PL NW, CALGARY, Alberta, Canada, T3B5A2
Mailing Address:	20 SILVERCREEK PL NW, CALGARY, Alberta, Canada, T3B5A2

Effective Date:

Power of Attorney

JEAN P. JORDAAN

Physical Address:	ANDERSON & COMPANY, 51 - 1ST AVENUE NW, SWIFT CURRENT, Saskatchewan, Canada, S9H 0M5
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Profile Report

Entity Number: 101172863

Page 2 of 2

Entity Name: OPTIMUM PETROLEUM SERVICES INC.

Report Date: 17-Jun-2021

Mailing Address: ANDERSON & COMPANY, BOX 610, SWIFT CURRENT, Saskatchewan, Canada, S9H 3W4

Previous Entity Names

Type	Name	Effective Until
Registered Name	AIRWELL PETROLEUM SERVICES INC.	11-Mar-2012
Home Jurisdiction Name	AIRWELL PETROLEUM SERVICES INC.	11-Mar-2012

Notes

Date	Note
6/26/2020 5:11:34 PM	Entity type converted in June 2020 due to NWP/MRAS initiative.
7/21/2020 5:15:23 PM	The officers for this entity were ceased as part of the MRAS initiative.

Event History

Type	Date
Business Corporation - Annual Return	14-Dec-2020
Business Corporation - Annual Return	20-Jan-2020
Notice of Change of Registered Office/Mailing Address	25-Nov-2019
Power of Attorney	29-Aug-2019
Business Corporation - Annual Return	27-Nov-2018
Business Corporation - Annual Return	06-Dec-2017
Notice of Change of Directors/Officers	06-Dec-2017
Notice of Change of Registered Office/Mailing Address	06-Dec-2017
Business Corporation - Annual Return	28-Nov-2016
Business Corporation - Annual Return	12-Nov-2015
Business Corporation - Annual Return	03-Dec-2014
Business Corporation - Annual Return	14-Nov-2013
Business Corporation - Annual Return	08-Nov-2012
Business Corporation - Amend Articles	12-Mar-2012
Business Corporation - Annual Return	12-Dec-2011
Business Corporation - Extra-provincial Registration	04-Nov-2010

THIS IS EXHIBIT "B" referred to in the Affidavit of **JAMES GETTIS** SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 28th day of July 2021.



A COMMISSIONER FOR OATHS in and for the Province of Alberta.
Being a Solicitor

FINNINGLEY
PROFESSIONAL CORPORATION
Chartered Professional Accountant

*PO Box 74062, RPO Strathcona
Calgary, Alberta T3H 3B6*

Telephone: (403) 444-0043
Email: ted@finn-tax.ca

August 12, 2020

Abbey Resources Corp.
Suite 700, 505 – 3rd Street SW
Calgary, AB
T2P 3E6

Attention: Jim Gettis, P.Eng., President

Re: Abbey Resources Corp.

Dear Jim:

Further to your emails to me dated April 19, 27, June 9 and July 15 2020, as well as our related discussions of May 11 and 12 as well as June 25, 2020, I have prepared this letter to set out the series of steps that I believe should be considered in order to reasonably enable to you to achieve the key planning objectives in relation to the transactions discussed.

FACTS AND ASSUMPTIONS

In setting out the comments contained within this letter, I have relied on my understanding of the following facts and circumstances, and have made the following assumptions, with respect to Abbey Resources Corp. (“Abbey”) as well as other corporations that carry-on business as part of the Abbey Corporate Group:

1. Bluestone Resources Inc. (“Bluestone”) represents a “Canadian corporation” and a “private corporation” as those terms are defined in subsection 89(1) of the Income Tax Act (Canada) (the “Act”).

The taxation year for Bluestone ends on October 31.

2. The shares of Bluestone are held equally by you as well as your wife Barb Gettis.
3. Abbey represents a “Canadian corporation” and a “private corporation”, as defined.

The taxation year for Abbey ends on October 31.

Abbey is a registrant for GST purposes.

4. You are the sole director of Abbey.
5. Abbey currently has 15,604,233 of Common shares which are issued and outstanding. You hold 153,333 of such shares personally, while Bluestone holds 5,600,100 of the Abbey Common shares.
6. Optimum Petroleum Services Inc. (“Optimum”) represents a “Canadian corporation” and a “private corporation” as defined.

The taxation year for Optimum ends on October 31.

7. Optimum currently has 415 of Common shares which are issued and outstanding. Bluestone holds 120 of such shares.
8. Based on the shareholdings for each of Abbey and Optimum, these corporations represent “associated corporations” pursuant to paragraph 256(1)(b) of the Act on the basis that the “group of persons” which is made up of Bluestone, Mr. Joseph Killi and 563735 Saskatchewan Ltd. maintains voting control of each such corporation.
9. Abbey acquired various gas producing assets located in Saskatchewan at around August of 2016. In particular, Abbey acquired Surplus Equipment and Producing Equipment for cash consideration totaling \$10 from Husky and Enerplus. Based on our recent discussions, you believe that the current estimated fair market value of such equipment currently approximates the following amounts:

Surplus Equipment	\$2.0 million
Producing Equipment	\$2.0 million

It is relevant to note that Abbey acquired various items of Surplus Equipment and Producing Equipment from Shackleton 2011 GP Inc. in 2011 for consideration totaling \$1.6 million. It would appear that the costs related to this transaction are included in Abbey Class 41 depreciable property pools, which have an undepreciated capital cost (“UCC”) as at October 31, 2017 as follows:

<u>Depreciable Property Pool</u>	<u>UCC</u>
Pool 1	\$ 1,444,531
Pool 2	\$ 447,832

Based on information that you provided for the period ended October 31, 2019, the total UCC for the Class 41 asset value of Abbey is \$2,356,959.

It would appear that the equipment is in fact property that is included in the definition of “gas or oil well equipment” pursuant to subsection 1104(1) of the Regulations to the Act.

10. Abbey had incurred non-capital losses in the amount of \$7,377,181 as at October 31, 2019 (the amount on the October 31, 2017 corporate tax filing was \$2,824,591).
11. I assume for the purposes of this email that all of the persons noted above are residents of Canada for the purposes of the Act. I further assume that none of the individuals noted above is a citizen, resident or green card holder of the United States, nor do they intend to acquire such status within the foreseeable future.

To the extent my understanding of the above-noted facts and circumstances is accurate and complete, and to the extent the assumptions are reasonable, the remainder of this letter will address a series of steps which are designed to reasonably enable Bluestone and Abbey to achieve their key income tax and related financial objectives in relation the proposed disposition of the Producing Equipment and Surplus Equipment which was previously acquired by it from Husky and Enerplus. In this regard, I understand that the objective here is to crystallize on the balance sheet of Abbey the current value of its Producing Equipment and Surplus Equipment.

I wish to stress that to the extent any of the above-noted facts, circumstances or objective are not accurate, to the extent my listing is not complete or to the extent the assumptions are not reasonable, it is imperative that you or any person reviewing this letter contact me immediately as such could have a significant impact on the conclusions set out herein.

ANALYSIS AND DISCUSSION

Based on the foregoing matters and subject to the detailed commentary below, the remainder of this letter will address the series of steps that I believe should be considered in order to reasonably enable the objectives as detailed above to be achieved.

The steps to affect the transfer of the Equipment, set out in chronological order below, are as follows:

- (1) An estimate as to the reasonable fair market value of the Producing Equipment and Surplus Equipment will be completed by a qualified party. The amounts arrived at here will be considered to represent the fair market value of this equipment.
- (2) A new corporation will be established pursuant to the *Business Corporations Act (Alberta)*, and which will be referred to in the remainder of this email as “Newco”. Newco will be incorporated with a flexible authorized share structure, such that it will be able to issue an unlimited number of various classes of shares.

Note that if Abbey was incorporated in a different jurisdiction, then I believe Newco will have to be incorporated in the same such jurisdiction.

All of the issued and outstanding shares of Newco, which will initially be 100 Class A Common shares, will be issued for consideration totaling say \$100.00 (ie: \$1.00 per share) and will be legally and beneficially owned by Abbey.

You will be the sole director and officer of Newco.

Newco should become a registrant for GST purposes.

- (3) Abbey will transfer legal and beneficial ownership of the Producing Equipment and Surplus Equipment to Newco. Newco will issue to Abbey as sole consideration for the fair market value transfer of the equipment referred to in Paragraph 2 above a number of Class A Common shares. The fair market value of such consideration Class A Common shares will automatically equal the value of the above-noted equipment so transferred.

With respect to the income tax treatment of the above-noted equipment disposition by Abbey, given that the property was acquired by the corporation for the nominal cost of \$10, then essentially all of the proceeds of disposition will represent a capital gain to the corporation, and there will be no recapture of prior capital cost allowance (“CCA”) claims. Given the non-arm’s length relationship between Abbey and Newco, there will be no ability for Abbey to claim a capital gains reserve pursuant to paragraph 40(2)(a) of the Act.

The taxable capital gain created by Abbey will be sheltered from current taxation by non-capital losses previously incurred by Abbey. The non-capital loss usage here will not impair the ability of Abbey to access the capital dividend account created in relation to the non-taxable one-half of the capital gain. This can allow the Abbey shareholders to remove tax-free dividends for the corporation.

Since Newco will issue to Abbey consideration that includes shares of Newco, then the potential for the filing of a joint election pursuant to subsection 85(1) of the Act is present. Such an election would allow for Abbey to massage the amount of capital gain that it will currently recognize in relation to this disposition transaction. The time limit for filing such an election is set out in subsections 85(6) and (7) of the Act.

- (4) Pursuant to paragraph 13(7)(e) of the Act, the capital cost for the purpose of determining the UCC of Newco will be determined as equal to one-half of the excess of value of the Producing Equipment and Surplus Equipment over the original nominal capital cost of this property. This will in turn reduce the amount of future CCA claims by Newco in relation to this depreciable property.
- (5) Newco will acquire the Producing Equipment and Surplus Equipment as noted in Paragraph (4) above, with the capital cost of such depreciable property being included in Class 41. Subject to the half-year rule which is set out in subsection 1100 (2) of the Regulations to the Act, Abbey (or Amalco as noted below) will be able to claim CCA in arriving at its net income at the declining balance rate of 25% on this property.

(6) Each of Abbey and Newco will be amalgamated to form a new corporation, which corporation will be referred to in the remainder of this letter as Amalco. The following is a listing of key income tax results that will occur by virtue of this amalgamation transaction:

- (a) Pursuant to subsection 87(2) of the ITA, as a general rule all of the property held by such predecessor corporations will be transferred to Amalco on a tax-deferred basis, meaning that there will not be a tax cost to either corporation in relation to the amalgamation transaction.
- (b) Amalco can establish a taxation year that can end any time up to twelve months from the date of the amalgamation transaction.
- (c) The tax attributes for Abbey, such as Business Number, will remain for Amalco.
- (d) The Class A Common shares issued by Newco to Abbey will be eliminated.
- (e) Amalco will maintain the high cost of the Producing Equipment and Surplus Equipment.

I suggest that the amalgamation transaction be completed on November 1, 2020, such that the deemed year end created for Abbey will coincide with its normal taxation year end.

(7) Abbey will charge Newco GST on the value of the property disposed of. There is no reserve mechanism for the GST, such that the amount noted must be remitted by Abbey for the reporting period that included the disposition transaction. Newco can in turn claim an input tax credit for the GST that it pays in relation to this transaction.

It is important to note that to the extent the asset value that is made up of the Producing Equipment and Surplus Equipment constitutes all or substantially all of a business operation, then it may be possible to complete an election such that the GST need not be charged and remitted by Abbey.

Following the above series of steps, it would appear that the objective as noted in this email will reasonably be achieved.

CONCLUDING COMMENTS

All tax planning that is completed currently must give specific consideration to the various anti-avoidance rules that are contained in the Act and which may have application in many situations. In particular, you should give specific consideration to the following such anti-avoidance rules prior to affecting any of the transactions that are set out in this email.

Trading in Tax Shield

The Act contains a particular anti-avoidance rule that is intended to prevent the trading in tax shield (being in general terms tax deductions, tax losses, tax credits and other tax sheltering accounts). In particular, subsection 69(11) of the Act operates when persons outside of an “affiliated group of persons”, as that term is defined in subsection 251.1(3) of the Act, attempt to access the tax shield of non-affiliated persons. Such rules are complex.

In the situation described in this letter, I do not believe that subsection 69(11) of the Act, as well as subsection 69(13) of the Act in relation to the proposed amalgamation transaction, will apply to negatively impact the income tax result as detailed within this letter.

I trust that the information set out in this letter will be of assistance to you and your legal counsel in documenting and finalizing the transactions addressed in this letter.

Please contact me to the extent that you or your legal counsel has questions or requires additional information concerning any matter set out in this letter.

Yours very truly,

FINNINGLEY PROFESSIONAL CORPORATION

Chartered Professional Accountant

Per: Ted F. Finningley, CPA, CA, TEP

THIS IS EXHIBIT "C" referred to in the Affidavit of **JAMES GETTIS** SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 28th day of July 2021.



A COMMISSIONER FOR OATHS in and for the Province of Alberta.
Being a Solicitor.

Purchase and Sale Agreement

THIS AGREEMENT (the "Agreement") dated this 1st day of November, 2020

BETWEEN:

Abbey Resources Corp., a body corporate, registered to carry on business in the Province of Alberta and having an office in Calgary, Alberta (the "Seller")

OF THE FIRST PART

- AND -

Optimum Petroleum Services Inc., a body corporate, registered to carry on business in the Province of Alberta and having an office in Calgary, Alberta (the "Buyer")

OF THE SECOND PART

IN CONSIDERATION OF THE COVENANTS and agreements contained in this Purchase and Sale Agreement the parties hereto agree as follows:

Sale of Assets

1. The Seller will sell, transfer and deliver to the Buyer the tangible equipment, as set out and described in the following Schedules, all of which are attached hereto and made part of this Agreement (collectively, the "Assets") on or after November 1, 2020:

Schedule 1: Surplus Equipment (\$1,858,500)

Schedule 2: Operating Equipment (\$1,988,850)

Schedule 3: Mobile Equipment (\$474,000)

Schedule 4: Building, Lease Agreement and Option to Purchase (\$884,713)

Schedule 5: Promissory Note (\$5,206,063)

Effective Date

2. The Effective Date of the transaction contemplated herein shall be November 1, 2020.

Purchase Price

3. The Buyer will accept the Assets and pay for the Assets consideration of FIVE MILLION TWO HUNDRED AND SIX THOUSAND AND SIXTY-THREE DOLLARS (\$5,206,063 CDN) (the "Purchase Price"), and paid by Promissory Note as required in clause 5 of this Agreement. The Seller and the Buyer both

acknowledge the sufficiency of this consideration. The Purchase Price is exclusive of any Goods and Services Tax ("GST"), payable by the Buyer. Seller and Buyer will execute Form RC7244 GST Election.

4. Should any additional present or future use, excise, or similar tax applicable to the sale of the Assets be payable, such amount will be paid by the Buyer.

Payment

5. The Buyer will make payment for the Assets with a Promissory Note, in the form attached hereto as Schedule 5, which will be executed at the same time and place as execution of this Agreement.

Delivery of Assets

6. The Assets in Schedule's 1,2,3 and 4 will remain where is as is, for the Sellers Enjoyment subject to the terms of the Right of Use Asset Agreement dated November 1, 2010.

Risk of Loss

7. The risk of loss from any casualty to the Assets, regardless of the cause, will be the Seller's responsibility. The Seller will be required to provide and pay for insurance during the time Buyer provides the Assets for the benefit and use by the Seller.

Warranties

8. THE ASSETS ARE SOLD 'AS IS' AND THE SELLER EXPRESSLY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. The Seller does not assume, or authorize any other person to assume on the behalf of the Seller, any liability in connection with the sale of the Assets. The Seller's above disclaimer of warranties does not, in any way, affect the terms of any applicable warranties from the manufacturer of the Assets.

9. The Buyer has been given the opportunity to inspect the Assets or to have it inspected and the Buyer has accepted the Assets in its existing condition. Further, the Seller disclaims any warranty as to the condition of the Assets.

Title

10. Title to the Assets will transfer to the Buyer on November 1, 2020.. The Seller will deliver document of title or registrable bill of sale of the Assets, bearing any necessary endorsement, to the Buyer. The Seller will pay for all costs to register the Buyer's Title to the Assets.

Claims

11. The Buyer will waive notice of defects which will constitute an unqualified acceptance of the Assets and a waiver by the Buyer of all claims with respect to the Assets.

Default

12. The Buyer reserves the right to damages in the amount of the entire Purchase Price or the remaining amount to be paid under the terms of the Promissory Note at the time of the default which are but are not limited to:

- a. in the event of the Buyer's insolvency or bankruptcy; or
- b. if the Seller intentionally burdens the Assets with liens for non-payment of Municipal , Government or third party fees incurred during the course of the Sellers enjoyment of the Assets provided by the Buyer.

Notices

13. Any notice to be given or document to be delivered to either the Seller or Buyer pursuant to this Agreement will be sufficient if delivered personally or sent by prepaid registered mail to the address specified below. Any written notice or delivery of documents will have been given, made and received on the day of delivery if delivered personally, or on the third (3rd) consecutive business day next following the date of mailing if sent by prepaid registered mail:

SELLER:

Abbey Resources Corp.
Suite 700, 505 - 3rd Street SW
Calgary AB T2P 3E6

BUYER:

Optimum Petroleum Services Inc.
Suite 700, 505 - 3rd Street SW
Calgary AB T2P 3E6

Mediation and Arbitration

14. If any dispute relating to this Agreement between the Seller and the Buyer is not resolved through informal discussion within 14 days from the date a dispute arises, the parties agree to submit the issue first before a non-binding mediator and to an arbitrator in the event that mediation fails. The decision of the arbitrator will be binding on the parties. Any mediator or arbitrator must be a neutral party acceptable to both the Seller and the Buyer. The cost of any mediations or arbitration will be shared equally by the parties.

General Provisions

15. Headings are inserted for convenience only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.

16. All representations and warranties of the Seller contained in this Agreement will survive the closing of this Agreement.

17. The Buyer may not assign its right or delegate its performance under this Agreement without the prior written consent of the Seller, and any attempted assignment or delegation without such consent will be void. An assignment would change the duty imposed by this Agreement, would increase the burden or risk involved and would impair the chance of obtaining performance or payment.

18. This Agreement cannot be modified in any way except in writing signed by all the parties to this Agreement.

19. This Agreement will be governed by and construed in accordance with the laws of the Province of Alberta and the Seller and the Buyer hereby attorn to the jurisdiction of the Courts of the Province of Alberta.

20. If any clause of this Agreement is held unconscionable by any court of competent jurisdiction, arbitration panel or other official finder of fact, the clause will be deleted from this Agreement and the balance of this Agreement will remain in full force and effect.

21. This Agreement will inure to the benefit of and be binding upon the Seller and the Buyer and their respective successors and assigns.

22. This Agreement may be executed in counterparts. Facsimile signatures are binding and are considered to be original signatures.

23. Time is of the essence in this Agreement.

24. This Agreement constitutes the entire agreement between the parties and there are no further items or provisions, either oral or otherwise. The Buyer acknowledges that it has not relied upon any representations of the Seller as to prospective performance of the Assets, but has relied upon its own inspection and investigation of the subject matter.

IN WITNESS WHEREOF the parties have executed this Purchase and Sale Agreement on this 1st day of November, 2020.

Abbey Resources Corp. (Seller)



Jim Gettis, President

Optimum Petroleum Services Inc. (Buyer)



Jim Gettis, President

SCHEDULE 1 attached to a Purchase and Sale Agreement dated November 1, 2020, between Abbey Resources Corp. and Optimum Petroleum Services Inc.

Fuelled Appraisals



Abbey Resources - Surplus Equipment

June 3, 2020

Type of Equipment	Description	Location	Fuelled Listing ID	Value
Compressor	Cummins GTA855P3 Gardner Denver SSUG990	Booster Station 14-29-21-19W3	10779	\$21,000
Filter Skid	Filter Package (2) x 24" x 8' and Filter	Booster Station 14-29-21-19W3	10780	\$12,000
Filter Skid	34" x 10' Filter Vessel 275 psi	Booster Surplus Equipment 5-18-22-18W3	10778	\$16,500
Separator	16" 1440 PSI Sweet Separator	Booster Surplus Equipment 5-18-22-18W3	10777	\$2,400
Compressor	CAT G3516LE Frick TDSH355XL Sweet	Cramersburg Plant 13-18-22-20W3	10754	\$85,500
Compressor	CAT G3516LE Gemini E602 2-Stg Sweet	Cramersburg Plant 13-18-22-20W3	10757	\$87,000
Compressor	CAT G3516LE Gemini E602 2-Stg Sweet	Cramersburg Plant 13-18-22-20W3	10756	\$87,000
Separator	48" x 10' Horizontal Separator 720 PSI	Cramersburg Plant 13-18-22-20W3	10755	\$18,000
Compressor	CAT G3512LE Gemini D602 2-Stg Sweet	Lacadena Gas Plant 4-10-22-18W3	10783	\$72,000
Compressor	CAT G3512LE Gemini D602 2-Stg Sweet	Lacadena Gas Plant 4-10-22-18W3	10782	\$72,000
Dehy	24" x 28' Dehy 250,000 BTU 1440 PSI	Lacadena Gas Plant 4-10-22-18W3	10781	\$15,000
Tank	750 BBL Producer Water Tank w/ Mixer	Lacadena Gas Plant 4-10-22-18W3	10862	\$4,500
Tank	750 BBL Insulated Cone Bottom Slop Tank	Lacadena South 1-19-22-17-W4	11969	\$4,500
Compressor	Waukesha 5790GL Ariel JGE-4 3 Stage	Lacadena South Gas Plant 1-19-22-17W3	10785	\$97,500
Dehy	30" x 28' Dehy 375,000 BTU 1660 PSI	Lacadena South Gas Plant 1-19-22-17W3	10784	\$21,000
Compressor	CAT G3512LE Frick SGCH3515 Sweet	Lancer Gas Plant 12-26-21-20W3	10758	\$60,000
Compressor	CAT G3512LE Gemini D602 2-Stg Sweet	Lancer Gas Plant 12-26-21-20W3	10763	\$72,000
Dehy	30" x 28' 1650PSIG Sweet Dehy Package	Lancer Gas Plant 12-26-21-20W3	10759	\$21,000
Filter Skid	Filter Vessel Skid Package 275 psig	Lancer Gas Plant 12-26-21-20W3	10760	\$13,500
Separator	40" x 10' 720 PSI Sweet Hz Separator	Lancer Gas Plant 12-26-21-20W3	10764	\$15,000
Separator	40" x 10' 720 PSI Sweet Hz Separator	Lancer Gas Plant 12-26-21-20W3	10761	\$15,000
Separator	48" x 10' 720 PSI Sweet Hz Separator	Lancer Gas Plant 12-26-21-20W3	10762	\$18,000
Tank	400 BBL Insulated Skidded Tank	Lancer Gas Plant 12-26-21-20W3	10765	\$1,800
Compressor	Waukesha 5790GL / Ariel JGK-4 3 Stage	Matador Gas Plant 14-24-21-18W3	10790	\$100,500
Compressor	Gemini D602 Compressor Unit - No Engine	Matador Gas Plant 14-24-21-18W3	10792	\$24,000
Dehy	24" x 28' Dehy 1415 PSIG 250,000 BTU	Matador Gas Plant 14-24-21-18W3	10789	\$15,000
MCC	225A 1-PH 120/240 60HZ MCC	Matador Gas Plant 14-24-21-18W3	11981	\$7,500
Separator	60" x 20' 720 PSI Separator w/ Filter	Matador Gas Plant 14-24-21-18W3	11971	\$27,000
Tank	750BBL Producer Water Tank w/ Mixer	Matador Gas Plant 14-24-21-18W3	10864	\$4,500
Compressor	CAT G3512LE Gemini E602 2-Stg Sweet	Miry Bay Gas Plant 16-24-21-19W3	10773	\$72,000
Compressor	Jenbacher Frick TDSH355L 675HP	Miry Bay Gas Plant 16-24-21-19W3	10769	\$52,500
Compressor	Waukesha L7042GL Frick TDSH 355XL Sweet	Miry Bay Gas Plant 16-24-21-19W3	10749	\$105,000
Filter Skid	24" x 10' S/S Filter Vessel w/ Sump	Miry Bay Gas Plant 16-24-21-19W3	10774	\$6,000
Instrument Air	Quincy Dual Air Compressor QT-5	Miry Bay Gas Plant 16-24-21-19W3	10768	\$2,250

SCHEDULE 1 attached to a Purchase and Sale Agreement dated November 1, 2020, between Abbey Resources Corp. and Optimum Petroleum Services Inc.

Fuelled Appraisals



Abbey Resources - Surplus Equipment

June 3, 2020

Type of Equipment	Description	Location	Fuelled Listing ID	Value
Tank	751 BBL Insulated Storage Tank	Miry Bay Gas Plant 16-24-21-19W3	10776	\$3,900
Compressor	Jenbacher Frick283SX Screw Package 675HP	Miry Creek 11-24-21-19W3	10797	\$60,000
Compressor	CAT G3512LE Gemini D602 2-Stg Sweet	Miry Creek 11-24-21-19W3	10770	\$72,000
Compressor	CAT G3512LE Gemini D602 2-Stg Sweet	Miry Creek 11-24-21-19W3	10767	\$72,000
Dehy	24" x 28' Dehy 250,000 BTU 1440 PSI	Miry Creek 11-24-21-19W3	10794	\$15,000
Dehy	24" x 28' Dehy 250,000 BTU (1440 PSI)	Miry Creek 11-24-21-19W3	10793	\$15,000
Filter Skid	Horizontal Sand Filter Separator 720psi	Miry Creek 11-24-21-19W3	10798	\$6,000
Separator	48" x 16' 720 PSI Horizontal	Miry Creek 11-24-21-19W3	10796	\$19,500
Separator	16" x 76" 1480 PSI Sweet Separator	Miry Creek 11-24-21-19W3	10795	\$2,400
Separator	16" x 76" 1480 PSI Sweet Separator	Miry Creek 11-24-21-19W3	10799	\$2,400
Tank	750BBL Painted Produced Water Tank	Miry Creek 11-24-21-19W3	10800	\$2,400
Dehy	24" x 32' 340 MBTU Sweet 1440 PSI	Portreeve Gas Plant 04-28-21-22W3	10802	\$15,000
Filter Skid	Moss Fabrication 275psi Peco Filter Unit	Portreeve Gas Plant 04-28-21-22W3	10803	\$16,500
Filter Skid	Clark-Reliance Coalescing Filter 720 psi	Portreeve Gas Plant 04-28-21-22W3	10804	\$6,000
Office	AltaFab MCC and Office Building	Portreeve Gas Plant 04-28-21-22W3	10806	\$6,000
Separator	48" x 15' 720 PSI Sweet Separator	Portreeve Gas Plant 04-28-21-22W3	10805	\$22,500
Tank	750BBL Cone Bottom Slop Tank (Damaged)	Portreeve Gas Plant 04-28-21-22W3	10807	\$900
Dehy	30" x 30' Dehy 1415 PSI 625,000 BTU	Shackleton Gas Plant 14-36-20-19W3	10788	\$21,000
Separator	36" x 12' 1440 PSI Sour Hz Separator	Shackleton Gas Plant 14-36-20-19W3	10786	\$18,000
Compressor	CAT G3408TA Ariel JGJ-2 3 Stg Sweet	Snipe Lake Gas Plant 13-21-23-19W3	10811	\$55,500
Compressor	Caterpillar 3512 Gemini D602 810HP	Snipe Lake Gas Plant 13-21-23-19W3	10810	\$72,000
Dehy	24" x 32' S/S Dehy 1440 psi 250,000 BTU	Snipe Lake Gas Plant 13-21-23-19W3	10809	\$15,000
Dehy	30" x 29' Dehy 370,000 BTU 1415 PSI	Spring Creek Compressor Station 13-26-21-20W3	10813	\$21,000
Flare Knock Out Drum	Flare Knockout Housed Size Pressure TBD	Spring Creek Compressor Station 13-26-21-20W3	10816	\$3,000
Tank	750 BBL Insulated Coated Tank	Spring Creek Compressor Station 13-26-21-20W3	10819	\$4,500
Tank	50 BBL Insulated Waste Oil Tank	Spring Creek Compressor Station 13-26-21-20W3	10818	\$750
Dehy	30" x 29' Dehy 400,000 BTU 1415 PSI	White Bear Gas Plant 3-2-23-16W3	10821	\$21,000
Flare Knock Out Drum	4' x 12'6" Underground 50psi Coated FKO	White Bear Gas Plant 3-2-23-16W3	10824	\$1,500
Separator	72" x 20' 285 psi Horizontal Separator	White Bear Gas Plant 3-2-23-16W3	10822	\$27,000
Tank	750 BBL Insulated Tank 5HP Side Mixer	White Bear Gas Plant 3-2-23-16W3	10823	\$4,500
Tank	750 BBL Insulated Storage Tank	White Bear Gas Plant 3-2-23-16W3	10863	\$3,900
Tank	750 BBL Insulated Storage Tank	White Bear Gas Plant 3-2-23-16W4	11970	\$3,900
			TOTAL	\$1,858,500

SCHEDULE 2 attached to a Purchase and Sale Agreement dated November 1, 2020, between Abbey Resources Corp. and Optimum Petroleum Services Inc.

Fuelled Appraisals



Abbey Resources - Operating Equipment

July 2, 2020

Type of Equipment	Location	Description	Value
Compressor	Abbey Plant 16-29-21-19W3	Waukehsa L5774LT Ariel JGK4 3-Stg Sweet (2006)	\$112,500
Compressor	Abbey Plant 16-29-21-19W3	Waukehsa L5774LT Ariel JGK4 3-Stg Sweet (2006)	\$112,500
Filter Skid	Abbey Plant 16-29-21-19W3	18" x 10' (Est.) 285 PSI Filter Un Skidded #3849-1 (2006)	\$3,000
Filter Skid	Abbey Plant 16-29-21-19W3	18" x 10' (Est.) 285 PSI Filter Un Skidded #3849-1 (2006)	\$3,000
Filter Skid	Abbey Plant 16-29-21-19W3	18" x 10' (Est.) 285 PSI Filter Un Skidded #3849-1 (2006)	\$3,000
Separator	Abbey Plant 16-29-21-19W3	48" x 16' (Est.) 285 PSI Sweet Separator (2005)	\$15,000
Tank	Abbey Plant 16-29-21-19W3	670 BBL Insulated, Heated Storage Tank (2010)	\$3,900
Tank	Abbey Plant 16-29-21-19W3	750 BBL Insulated, Heated Storage Tank (2007)	\$4,500
Compressor	Cramersburg Plant 13-18-22-20W3	CAT G3516LE Gemini D604 3-Stg Sweet (2005)	\$90,000
Dehy	Cramersburg Plant 13-18-22-20W3	30" x 28' Dehy 375,000 BTU 1600 PSI (2004)	\$21,000
Filter Skid	Cramersburg Plant 13-18-22-20W3	34" x 10' Filter Vessel 275 PSI (2007)	\$16,500
Separator	Cramersburg Plant 13-18-22-20W3	60" x 20' (Est.) 720 PSI Sweet Vertical Separator (2007)	\$28,500
Tank	Cramersburg Plant 13-18-22-20W3	1000 BBL Insulated Storage Tank (2007)	\$5,250
Compressor	Lacadena North Plant 04-10-23-18W3	Waukesha L5774LT Kobelco KS32LNB Sweet (2005)	\$82,500
Dehy	Lacadena North Plant 04-10-23-18W3	24" x 28' Dehy 250,000 BTU 1440 PSI (2003)	\$12,000
Pump	Lacadena North Plant 04-10-23-18W3	Dual 5 HP Hydra Cell Pump Package (2008)	\$6,000
Separator	Lacadena North Plant 04-10-23-18W3	48" x 15' 720 PSI Sweet Separator w/ Filter (2008)	\$24,000
Tank	Lacadena North Plant 04-10-23-18W3	750 BBL Insulated, Heated Storage Tank (1999)	\$3,900
Tank	Lacadena North Plant 04-10-23-18W3	750 BBL Insulated Storage Tank (2006)	\$3,900
Tank	Lacadena South Plant 01-19-22-17W10	750 BBL Insulated Storage Tank (1996)	\$1,800
Tank	Lacadena South Plant 01-19-22-17W11	750 BBL Insulated Storage Tank (1997)	\$1,800
Tank	Lacadena South Plant 01-19-22-17W12	750 BBL Insulated Storage Tank (1996)	\$1,800
Compressor	Lacadena South Plant 01-19-22-17W13	Waukesha L7042GL Ariel JGK4 3-Stg Sweet (2003)	\$120,000
Compressor	Lacadena South Plant 01-19-22-17W13	Waukesha L7042GL Ariel JGK4 3-Stg Sweet (2002)	\$120,000
Compressor	Lacadena South Plant 01-19-22-17W13	Waukesha L7042GL Ariel JGK4 3-Stg Sweet (2003)	\$120,000
Compressor	Lacadena South Plant 01-19-22-17W13	Waukesha L7042GL Ariel JGK4 3-Stg Sweet (2003)	\$120,000
Dehy	Lacadena South Plant 01-19-22-17W13	30" x 30' Dehy 1415 PSI 750,000 BTU (1997)	\$15,000

SCHEDULE 2 attached to a Purchase and Sale Agreement dated November 1, 2020, between Abbey Resources Corp. and Optimum Petroleum Services Inc.

Fuelled Appraisals



Abbey Resources - Operating Equipment

July 2, 2020

Type of Equipment	Location	Description	Value
Dehy	Lacadena South Plant 01-19-22-17W13	24" x 28' Dehy 375,000 BTU 1440 PSI (2003)	\$12,000
MCC	Lacadena South Plant 01-19-22-17W13	200A 120/240V MCC (1998)	\$4,500
MCC	Lacadena South Plant 01-19-22-17W13	MCC Building	\$1,500
Tank	Lacadena South Plant 01-19-22-17W13	Open Top Floc Tank (T-1303)	\$4,500
Tank	Lacadena South Plant 01-19-22-17W13	Open Top Floc Tank (T-1304)	\$4,500
Tank	Lacadena South Plant 01-19-22-17W3	50 BBL Spent Oil Tank (2002)	\$750
Tank	Lacadena South Plant 01-19-22-17W4	100 BBL DW Insulated Heated Tank (2004)	\$1,500
Misc.	Lacadena South Plant 01-19-22-17W5	5-Station Piggling Building	\$4,500
Pump	Lacadena South Plant 01-19-22-17W5	Non-Skidded Water Injection Building AJAX DP-115 (1987) OBSOLETE	\$3,000
Separator	Lacadena South Plant 01-19-22-17W5	48" x 15' 285 PSI Sweet Separator (2002)	\$15,000
Separator	Lacadena South Plant 01-19-22-17W5	72" x 20' Horizontal Separator 285 PSI Sweet (2002)	\$27,000
Tank	Lacadena South Plant 01-19-22-17W5	100 BBL Heated Double Walled Insulated Tank (2004)	\$1,800
Tank	Lacadena South Plant 01-19-22-17W5	750 BBL Insulated Storage Tank (1994)	\$2,400
Tank	Lacadena South Plant 01-19-22-17W5	750 BBL Insulated Storage Tank (2006)	\$2,400
Tank	Lacadena South Plant 01-19-22-17W6	750 BBL Insulated Storage Tank (2006)	\$2,400
Tank	Lacadena South Plant 01-19-22-17W7	750 BBL Insulated Storage Tank (1997)	\$1,800
Tank	Lacadena South Plant 01-19-22-17W8	750 BBL Insulated Storage Tank (2004)	\$2,400
Tank	Lacadena South Plant 01-19-22-17W9	750 BBL Insulated Storage Tank (2004)	\$2,400
Compressor	Miry Bay Plant 16-24-21-19W3	CAT G3512LE Gemini D604 3-Stg Sweet (2004)	\$75,000
Dehy	Miry Bay Plant 16-24-21-19W3	30" x 28' 1480PSIG 600 MBTU Sweet Dehy (2004)	\$21,000
Filter Skid	Miry Bay Plant 16-24-21-19W3	30" x 10' 720 PSI Filter Package (2006)	\$8,250
Separator	Miry Bay Plant 16-24-21-19W3	60" x 20' 720 PSI Sweet Separator (2006)	\$27,000
Tank	Miry Bay Plant 16-24-21-19W3	400 BBL Insulated Storage Tank (2003)	\$1,500
Compressor	Shackleton Plant 14-36-20-19W3	CAT G3412LE Ariel AR-282 Sweet (2001)	\$30,000
Compressor	Shackleton Plant 14-36-20-19W3	Jenbacher J312 Frick TDSH 355L Sweet (2005)	\$63,000
Compressor	Shackleton Plant 14-36-20-19W3	Waukesha L7042GL Ariel JGK4 3-Stg Sweet (2002)	\$120,000
Compressor	Shackleton Plant 14-36-20-19W3	Waukesha L7042GSI Ariel JGK4 3-Stg Sweet (1995)	\$90,000

SCHEDULE 2 attached to a Purchase and Sale Agreement dated November 1, 2020, between Abbey Resources Corp. and Optimum Petroleum Services Inc.

Fuelled Appraisals



Abbey Resources - Operating Equipment

July 2, 2020

Type of Equipment	Location	Description	Value
Dehy	Shackleton Plant 14-36-20-19W3	30" x 24' 1415 PSI Sweet (2006)	\$21,000
Dehy	Shackleton Plant 14-36-20-19W3	30" x 30' Dehy 1415 PSI 625,000 BTU (1997)	\$15,000
Flare Knockout	Shackleton Plant 14-36-20-19W3	50 BBL 50 PSI Flare Knockout (2006)	\$5,250
MCC	Shackleton Plant 14-36-20-19W3	480V 1200A 3 Phase MCC (2006)	\$22,500
MCC	Shackleton Plant 14-36-20-19W3	480V 400A 3 Phase MCC (2000)	\$13,500
MCC	Shackleton Plant 14-36-20-19W3	MCC Building (2008)	\$6,000
Misc.	Shackleton Plant 14-36-20-19W3	Office Building	\$19,500
Misc.	Shackleton Plant 14-36-20-19W3	24' x 10' (EST) Storage/Office Building	\$7,500
Misc.	Shackleton Plant 14-36-20-19W3	8-Well Pigging Manifold Building	\$4,500
Misc.	Shackleton Plant 14-36-20-19W3	24' x 16' (EST) Flocculent Building	\$15,000
Misc.	Shackleton Plant 14-36-20-19W3	Dual Centrifuge Package (2006)	\$105,000
Pump	Shackleton Plant 14-36-20-19W3	Dual 20 HP (Est.) Water Injection Pump Building	\$12,000
Separator	Shackleton Plant 14-36-20-19W3	60" x 20' 285 PSI Separator Sweet (2002)	\$16,500
Tank	Shackleton Plant 14-36-20-19W3	1000 BBL Insulated Storage Tank (2007)	\$5,250
Tank	Shackleton Plant 14-36-20-19W3	750 BBL Insulated Storage Tank (2006)	\$3,900
Tank	Shackleton Plant 14-36-20-19W3	100 BBL (EST) Plastic Storage Tank	\$300
Tank	Shackleton Plant 14-36-20-19W3	100 BBL (EST) Plastic Storage Tank	\$300
Tank	Shackleton Plant 14-36-20-19W3	100 BBL Double Wall Insulated Storage Tank (2006)	\$1,800
Tank	Shackleton Plant 14-36-20-19W3	750 BBL Insulated Storage Tank (1997)	\$1,800
Tank	Shackleton Plant 14-36-20-19W3	750 BBL Insulated Storage Tank w/ Mixer (1996)	\$1,800
Tank	Shackleton Plant 14-36-20-19W3	1500 BBL Insulated Storage Tank w/ Mixer (2006)	\$6,750
Tank	Shackleton Plant 14-36-20-19W3	1500 BBL Insulated Storage Tank w/ Mixer (2006)	\$6,750
Compressor	Snipe Lake 13-21-23-19W3	CAT G3512LE Gemini D602 2-Stg Sweet (2004)	\$72,000
Filter Skid	Snipe Lake 13-21-23-19W3	24" x 14' 1440 PSI Filter Skid Sweet (2005)	\$7,500
Misc.	Snipe Lake 13-21-23-19W3	Multi Well Manifold Building Non-Skidded	\$0
Separator	Snipe Lake 13-21-23-19W3	48" x 10' Horizontal Separator 720 PSI Sweet (2004)	\$18,000
Tank	Snipe Lake 13-21-23-19W3	750 BBL Insulated Storage Tank (1998)	\$18,000

SCHEDULE 2 attached to a Purchase and Sale Agreement dated November 1, 2020, between Abbey Resources Corp. and Optimum Petroleum Services Inc.

Fuelled Appraisals



Abbey Resources - Operating Equipment

July 2, 2020

Type of Equipment	Location	Description	Value
			\$1,988,850

**SCHEDULE 3 attached to a Purchase and Sale Agreement dated
November 1, 2020, between Abbey Resources Corp. and
Optimum Petroleum Services Inc.**

Mobile Equipment

Contractors Equipment	Value
2005 Kenworth Coil Tubing Unit, Serila No. 1XKDDBEXX5R980254	\$ 163,500
2006 Utility Trailer, Serial No. 2SWUW11A56G297553	\$ 2,250
2007 Cargo Trailer, Serial No. 5NHUAS21071030309	\$ 2,250
2004 Joyner Atv, Serial No. L5BG2MV64E1023458	\$ 5,400
2009 Joyner ATV, Serial No. L5BG2MV69B1018762	\$ 5,400
2009 Joyner ATV, Serial No. L5BG2MV69B1018763	\$ 5,400
Masey Ferguson Tractor Loader and Farming King Mower	\$ 8,070
High Pressure Steam Boiler, Model No. OTS-O20H, Serial No. 4842 mounted in a Pintle Hitch Trailer, FX9 Series, Model No. FX9-816-78-T70, Serial No. 2JAAH7626J1004081	\$ 30,030
2002 Kenworth T-800 Vac Truck, Serial No. 1NKDL49X02R965633	\$ 70,500
1997 Scona Vac Trailer, Tri Axle, Serial No. 2E9H45D36V3003746	\$ 37,500
2015 Back hoe - Case 580SN WT, Serial No. JJGN58WRTFC723535	\$ 32,400
2019 Diamond C FMAX210 30' Gooseneck Trailer, Serial No. 46UF43021K1212797	\$ 9,000
John Deere Gator, Serial No. 1M0825GSKEM080225 Snow Tracks, Serial No. 6722IR00091-0 / 6722IR00091-1 / 6722IR00091-2 / 6722IR00091-3	\$ 11,250
John Deere Gator, Serial No. 1M0825GSCEM080356 Snow Track, Serial No. 6522NIA3639-0 / 6522NIA3639-1 / 6522NIA3639-2 / 6522NIA3639-3	\$ 11,250
John Deere Gator, Serial No. 1M0825GSABM022911 Snow Tracks, Serail No. 6522NIA3638-0 / 6522NIA3638-1 / 6522NIA3638-2 / 6522NIA3838-3	\$ 11,250
John Deere Gator, Serial No. 1M0825GSCBM022906 Snow Tracks, Serial No. 6522NIA3637-0 (RF) / 6522NIA3637-1 (LF) / 6522NIA3637-2 (RR) / 6522NIA3637-03 (LR)	\$ 11,250
John Deere Gator, Serial No. 1M0825GSTDM064232 Snow Tracks, Serial No. 6822IT22227-0 / 6822IT22227-01 / 6822IT22227-02 / 6822IT22227-3	\$ 11,250
Kubota RTV, Side by Side, Serial No. Snow Tracks, Seral No.	\$ -
2016 Trailer with a portable Compressor Unit, Serial No. 2H9TL23C771068796	\$ 22,500
2008 Transport Trailer, Serial No. 4J6TC16258B098851	\$ 4,500
2005 10 Cube Mud Tank, Serial No. 2C9MAS2155B193004	\$ 8,550
920 Catterpillar Payloader, Serial No.	\$ 10,500
	\$ 474,000
	\$0
	\$474,000

LEASE AGREEMENT & OPTION TO PURCHASE

THIS LEASE AGREEMENT and OPTION TO PURCHASE is made effective this 1st day of September, 2020 between:

SPITFIRE INVESTMENTS LTD.

a duly incorporated corporation having an office at
Box 4888 (4902 — 53 Street), Taber, AB T1G 2E1
(hereinafter referred to as "the Lessor")

OF THE FIRST PART

-and-

ABBAY RESOURCES CORP.

a duly incorporated corporation having an office at
Suite 700, 505 3rd Street SW, Calgary, AB T3B 5A2
(hereinafter referred to as "the Lessee")

OF THE SECOND PART.

WHEREAS the lessor is the registered owner of a certain parcel of land and building located in Swift Current, Saskatchewan on the lands legally described as:

Ptn. PLAN 102019340; PARCEL A; LOT 5 (2.70 Acres m/1)

Upon which there is presently situated an 8,000 square foot building which the Tenant desires to lease (herein called the "Leased Premises" or the "Premises").

AND WHEREAS the Lessor has agreed to lease to the Lessee the Land and Building on certain terms and conditions;

AND WHEREAS the Parties hereto wish to document the terms of their agreement;

NOW THEREFORE this agreement witnesses that in consideration of the foregoing recitals, and in consideration of the rents and covenants hereinafter contained, the parties hereto have agreed and do agree as follows:

1. The Lessor does hereby lease unto the Lessee the Land and the Building together with all appurtenances relating thereto or connected thereto (all of which is herein referred to as "the premises")
2. The Lessee shall have and hold the premises for a term of ten (10) years commencing September 1, 2020 and continuing to and including August 31, 2030.
3. The Lessee shall pay a total rental of \$9,450.00 plus GST and PST (if applicable) per month in advance during the term of this lease, commencing on September 1, 2020 and continuing on the 1st day of each and every month thereafter to and including August 1, 2030. All rental payments shall be made to the Lessor.



4. The Lessee agrees that it shall conduct any and all business operations in compliance with all governmental rules and regulations, whether municipal or provincial or federal, that apply or that have jurisdiction to the Lessor.
5. With respect to utilities and in particular electricity and natural gas, the Lessee shall pay for all utilities provided and supplies to the premises including charges for demand load and for consumption. The Lessee will pay and be responsible for any and all other utility costs such as water delivery and sewer services to premises.
6. The Lessee shall be responsible for all real property taxes assessed by the appropriate taxing authority against the land and building from the effective date. The Lessee shall pay to the Landlord on a monthly basis a sum of \$1,000.00 which shall be credited towards such tax payment. The parties agree to adjust the amount depending upon the taxes as determined on an annual basis.
7. The Lessor will insure the Land and Building for all customarily insurable losses due to fire, tempest, vandalism, etc. however, the Lessee will pay the premiums for said insurance coverage during the term of this agreement against fire and other coverage for perils related to the Land and Building. The Lessee will be responsible to insure its own inventory, tools, equipment and vehicles that it keeps on the premises.
8. The Lessee shall be responsible, at its expense, for all cleaning and disinfecting of the premises on an on-going basis as required. The Lessee shall clean the premises on or just prior to surrendering up possession of the premise at the conclusion of the term of this lease.
9. The Lessee will keep the premises and its mechanical systems and equipment in good and substantial repair, and will manage and be responsible for all normal day-to-day maintenance and servicing. The Lessee shall conduct its business and shall use and operate the mechanical systems installed in the premises in a responsible and prudent manner. The Lessee shall be responsible to pay for the repairs or maintenance that are occasioned by normal use, normal wear and tear, or normal deterioration and shall be responsible to pay for any repairs, parts or services that are occasioned by the Lessee's negligence or reckless or willful misconduct.
10. The Lessee shall bear the costs and damages resulting from any misuse or abuse of the mechanical systems, if any, in the premises by the Lessee or the Lessee's employees, agents or invitees.
11. The Lessee shall, at the termination of this Lease, deliver up and surrender the premises to the Lessor in a state of repair and condition equivalent to the condition at the commencement of this lease (reasonable wear and tear excepted)



12. The Lessee will permit the Lessor reasonable access at all reasonable times to enter upon the premises to inspect its state of condition.
13. The lessee shall not assign or sub-let its interests under this Lease or any portion thereof unless it has first obtained written consent from the Lessor, which consent shall not to be unreasonably withheld. In the event of a consented assignment or sub-letting, the Lessee shall always remain liable to the Lessor and shall not stand released by the lessor, of the Lessee's covenants and obligations contained herein.
14. The Lessee, for the full term of this Leases will carry liability insurance that includes coverage for its business carried on in the premises in an amount not less than \$3,000,000.00. The Lessor shall be a named insured on such policy. The Lessee will provide a copy of such policy to the Lessor upon request.
15. The Lessee shall not make or install and fixtures, nor any alterations or partitions to the buildings, without prior written consent of the Lessor which consent shall not be unreasonably withheld.
16. In the event the Lessee fails to make a rental payment as provided herein, or makes default in some other term of this lease agreement, the Lessor will notify the Lessee by registered mail; and if the default has not been correct or rectified within fifteen (15) days from the date of receipt of the notice the Lessor then shall have the right to re-enter and take possession of the premises and the Lease may be terminated for default; and the Lessor shall, if the Lease is not terminated, be entitled to distrain for the amount of unpaid rental arrears.
17. This Lease shall be governed by the laws of the Province of Saskatchewan, but should any provision or provisions hereof declared unenforceable by a court of competent jurisdiction, such provision shall be severable from the other provisions which other provisions shall remain in full force and affect.
18. It is agreed between the Lessor and Lessee that:
 - i. The Lessor, its agents, servants, and employees shall not be liable for damage or injury to any property of the Lessee which is entrusted to the care or control of the Lessor, its agents, servants or employees;
 - ii. The Lessor shall not be liable, nor the responsible in any way for any personal or consequential injury that may be suffered by the lessee or any employee, agent, customer, invitee or licence of the Lessee
 - iii. The Lessor shall not be liable, nor responsible in any way for any loss of or damage or injury to any property or inventory belonging to the Lessee or to its employees, caused by the interruption of any public utility;



- iv. The Lessor shall not be liable for any damages suffered to the premises or contents by reason of the Lessor entering the premises to undertake any work therein in the case of an emergency; but
 - v. Nothing in these provisions shall preclude the Lessee from seeking legal redress in the event of damages, injuries to employees or third parties, or interruptions of peaceful possession of the premises which shall occur as the result of negligence or willful conduct or failure to perform the Lessor's covenants and obligations on the part of the Lessor;
 - vi. The Lessee shall have the right to register a Caveat regarding the Lease and Option to Purchase at the appropriate Land Titles Office; and
 - vii. Nothing herein shall preclude the Lessee from obtaining legal relief in the event of interruption of peaceful possession.
19. The Lessee agrees that is shall indemnify, defend, and hold the Lessor and the Lessor's officers, directors, employees and agents harmless from and against any and all loss, liability, costs, claims, strict liability claims, demands, lawsuits, causes of actions, fines, judgements, penalties damages, expenses and costs (including solicitor fees) in connection with actual or alleged damage to the premises, personal injury, and/or loss of life arising from or relating to the use, occupation and possession of the premises by the Lessee and by the Lessee's agents, employees, officers, invitees, and directors, except to the extent caused by the Lessor's own actions from the Effective Date.
20. The indemnification contained in clause 19 shall include any and all loss, liability, remediation and clean-up costs, private third party claims, government claims, strict liability claims, demands, lawsuits, cause of action, fines, judgements, penalties, expenses and costs (including solicitor fees) arising out of or resulting from any violation of any laws, orders, directives, rules, regulations, orders, or decrees, or other similar requirement of any government, court, or authority, that relate to the environmental pollution, environmental control, or environmental matters of any kind on the premises which occurred after the Effective Date.
21. The indemnification contained in clause 19 shall include any and all loss, liability, remediation and clean-up costs, private third parry claims, governmental claims, strict liability claims, demands, lawsuits, cause of action, fines judgements, penalties, expenses, and costs (including solicitor fees) arising out of or resulting from the presence, release, storage, use, handling, disposal, or dispersal of any substance or material in, on , or from the premises that, actually or alleged, caused environmental harm or damage to property or natural resources that occurred after the Effective Date.
22. The parties hereto acknowledge having done a physical inspection and walk through of the premises prior to the execution of this agreement.



OPTION TO PURCHASE

23. In consideration of the sum of one (\$1.00) and other good and valuable consideration paid by the Lessee to the Lessor, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the Lessee abiding by and performing the covenants and terms set out in the above Lease, the Lessor (hereinafter referred to as "the Optioner") hereby grants to the Lessee (hereinafter referred to as "the Optionee") the exclusive and irrevocable option to purchase the premises (hereinafter referred to as "the Property"), within the time limited for exercise (the "Option"), free and clear of all encumbrances, liens, estates and interests whatsoever except for any existing easements and rights-of-way and except for any subsisting reservations or exceptions contained in the original grant of the land from the crown, on and subject to the terms and conditions set out below.

- i. The Option may be exercised at any time up to July 1, 2030 but not after such date (which mentioned date is herein referred to as the "Option Exercise Date") and shall be exercised by delivering to or mailing by prepaid registered mail addressed to the Optionor at the address specified below, a notice in writing of such exercise with thirty (30) days notice to the Optionor. If the Optionee fails to exercise the Option in a manner required by the Option Exercise date the Option shall immediately lapse and expire and be of no further force and effect and the Optionee shall have no further interest in the Property or under the option agreement. In such event the consideration paid by the Optionee to the Optioner for the granting of the Option shall be retained by the Optioner and the Optionee shall immediately discharge any caveat or interest registered against the title to the Lands by virtue of this option agreement.
- ii. If the Option is exercised within the time and in the manner stated in clause 23, and provided that the Optionee is abiding by all terms of the above Lease with the said Lease being in good standing and provided that there has been no default by the Optionee under the terms of the above lease, the parties hereto agree the Optioner shall be bound to sell and the Optionee shall be bound to purchase the property on the terms and conditions set out below. The purchase price shall be based on the dollar amount according to the "Balance" column on the Amortization schedule attached in lawful money of Canada (the "Purchase Price") plus applicable GST and PST (if applicable). The Purchase Price shall be subject to adjustments and shall be paid by the Optionee's solicitor's trust cheque or bank draft, on or before the Closing Date as hereinafter defined. Further terms and provisions are as set out below.
- iii. The closing date shall be the last day of the month in which the receipt by the notice of intent to exercise of the Option is received by the Optionor (the "Closing Date").

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- iv. All regular lease payment pursuant to paragraph 3 of this Agreement shall be made by the Optionee up to and including the Closing Date, and thereafter, if the purchase is properly completed, no further lease payments shall be owing by the Optionee.
- v. The Optionee will have an option to purchase before the Closing date according to the Amortization schedule attached.
- vi. Any expenses and adjustable items with respect to the Property, together with any recoveries that either party may be entitled to claim from the other, shall be adjusted and paid between the parties as of the Closing Date.
- vii. On or before the Closing Date, subject to performance of the Optionee's obligations hereunder, the Optionor covenants to deliver to the Optionee's solicitors:
 - a. A registrable transfer of Lands and appropriate Vendor's Solicitor's undertakings which when relied upon and/or registered at the Land Titles Office or property registry will cause title to the Property to issue in the name of the Optionee free and clear of all non-permitted encumbrances, liens, estates and interests;
 - b. A statement of adjustments; and
 - c. Executed copies of a Surrender of Lease in a form and content acceptable to the Optionee's solicitors (The Surrender of Lease") if the Lease has not already expired.
- viii. The Optionee covenants to deliver to the Optionor's solicitor the balance of the purchase price subject to the adjustments.
- ix. The Optionee acknowledges that it is the tenant of the Property pursuant to the above Lease. The Optionee acknowledges and agrees that certain care and upkeep of the Property are at the sole risk and responsibility of the Optionee pursuant to the provisions of the Lease and that any such care and maintenance performed by the Optionee shall be at its cost in accordance with its obligations thereunder and all without abatement or reduction of the Purchase Price.
- x. The Optionee acknowledges that it has inspected the Property and agrees that there are no warranties, representations, terms or conditions relating to the Property or the state of repair or the suitability for any purpose or use thereof, it being acknowledged and agreed that the Property is being purchased on a strictly "as is" basis.
- xi. The Optionor and Optionee agree to promptly execute and deliver all necessary documents and to do all things necessary in order to fully carry out and perform the intent to this option agreement.
- xii. The Transfer of Land and other conveyance documents shall be prepared at the expense of the Optionor and shall be registered at the expense of the



Optionee. The Optionor shall discharge, at its expense, all encumbrances, liens, estates and interests which are not permitted encumbrances.

- xiii. Time shall be, in all respects, the essence of this option agreement.
- xiv. This option agreement shall be governed by the laws of the Province of Saskatchewan.
- xv. Unless expressly provided otherwise, any notice or correspondence required, permitted or contemplated to be given shall be sufficiently given if delivered in person to or mailed by registered mail addressed to the other party as follows:

To the Optionor: Box 4888
 Taber, AB T1G 2E1

To the Optionee: Suite 700, 505 3rd Street SW,
 Calgary, AB T2P 3E6

Any notice or correspondence given by mail shall be deemed to have been received when delivered on the fifth business day following the postmark date.

- xvi. No waiver by the Optionee of the strict performance of any term, covenant or condition herein contained shall be effective unless such waiver is in writing signed by the party granting.
- xvii. Delivery of the Transfer of Land and the subsequent issuance of title into the name of the Optionee shall not merge or affect any of the terms, covenants and conditions herein contained.
- xviii. If the date for making any payment or doing any act shall be a Saturday, Sunday or statutory holiday in the Town of Swift Current, such date shall be extended to the first business day next following such date.
- xix. If any term, covenant, or condition of this option agreement or the application thereof to any party or circumstances shall to any extent be invalid or unenforceable, the remainder of this agreement or application of such term, covenant or condition to a party or circumstance other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term, covenant or condition of this agreement shall be valid and enforceable to the full extent permitted by law.
- xx. The Optionor and Optionee agree that this option agreement contains all the terms, conditions, provisions and agreements relative to the purchase and sale of the Property and that there are no additional or collateral warranties, representations, agreements, terms, conditions or provisions whatsoever, including without limitation any relating to land use or the development of the Lands, except as expressly contained herein.
- xxi. If the Optionee exercises the Option and subsequently fails to complete the purchase of the Property the Optionor shall be entitled, at its option, to terminate this agreement by notice in writing to the Optionee and retain the consideration for the granting of the Option on account of liquidated



damages, and all without prejudice to any further rights or remedies the Optionor may have against the Optionee as a result thereof, or to require specific performance of this agreement or exercise any other remedy available to it at law or in equity.

- xxii. If the Optionor is prepared to accept the payment of the Purchase Price subsequent to the Closing Date, which the Optionor has no Obligation to do, interest shall be payable on such sum at a rate per annum equal to ten percent (10%) per annum calculated from Closing Date to the date of payment and unconditional release of the Purchase Price to the Optionor's solicitors. The obligation to pay interest on the Purchase Price, if the Optionor is prepared to accept payment subsequent to the Closing Date, shall not be a waiver of time being of the essence of this agreement.
- xxiii. The Optionee agrees with the Optionor that it shall not be entitled to assign this Option in whole or in part to an unrelated third party, and that its agreement to observe this covenant shall be a complete and absolute prohibition against any such assignment. The Optionee further acknowledges and represents that its covenant to not assign this Option to an unrelated third party has induced the Optionor to enter into this agreement in the absence of which the Optionor would not have done so. The Optionee may only assign this Option to a related third-party with the written consent of the Optionor, which consent shall not be unreasonably withheld.
- xxiv. This option agreement shall enure to the benefit of and binding upon the parties hereto and their respective successors and administrators, and shall where required by context be read with all necessary changes of gender or number.

24. The covenants herein contained shall be binding on the parties hereto and their respective administrators, trustees, receivers, and permitted assigns.

25. All matters and differences in relation to this Lease or arising from the Option shall be referred to arbitration in accordance with *The Arbitration Act* for the Province of Saskatchewan; or, if agreed upon by the parties hereto to arbitration by a single arbitrator if the parties hereto agree upon one; or three arbitrators, one to be appointed by each party and the third to be chosen by the first two named before they enter upon the business of arbitration. PROVIDED HOWEVER, if a party to the arbitration procedure refuses to appoint an arbitrator within fourteen (14) days after the other party has appointed its arbitrator and that party has served notice on the other party requiring the other party to make such appointment, then the arbitrator first appointed shall, at the



request of the party appointing him, proceed to hear the matter as if the arbitrator was duly appointed by both parties to the dispute. The award and determination made by the said arbitrator(s) or the majority of them or by the single arbitrator, as the case may be, shall be binding and final upon the parties hereto, their successors and assigns.

26. The Lessee does hereby accept this lease.

27. This Agreement may be executed in counterparts and by electronic or facsimile transmission, each of which counterpart shall constitute an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this agreement by their respective duly authorized officers in that behalf, as of the day and year first above written.

SPITFIRE INVESTMENTS LTD.

PER:



(Sidney Tams - Director)

ABBEY RESOURCES CORP.

PER:



(JIM GETTIS - Director)

Abbey Resources Corp.

Compound Period : Monthly

Nominal Annual Rate : 4.869 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Lease	09/01/2020	900,000.00	1		
2 Lease Payment	09/01/2020	9,450.00	120	Monthly	08/01/2030

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Lease Payment	Interest	Principal	Balance
Lease	09/01/2020				900,000.00
1	09/01/2020	9,450.00	0.00	9,450.00	890,550.00
2	10/01/2020	9,450.00	3,613.36	5,836.64	884,713.36
3	11/01/2020	9,450.00	3,589.68	5,860.32	878,853.04
4	12/01/2020	9,450.00	3,565.90	5,884.10	872,968.94
2020 Totals		37,800.00	10,768.94	27,031.06	
5	01/01/2021	9,450.00	3,542.02	5,907.98	867,060.96
6	02/01/2021	9,450.00	3,518.05	5,931.95	861,129.01
7	03/01/2021	9,450.00	3,493.98	5,956.02	855,172.99
8	04/01/2021	9,450.00	3,469.82	5,980.18	849,192.81
9	05/01/2021	9,450.00	3,445.55	6,004.45	843,188.36
10	06/01/2021	9,450.00	3,421.19	6,028.81	837,159.55
11	07/01/2021	9,450.00	3,396.73	6,053.27	831,106.28
12	08/01/2021	9,450.00	3,372.17	6,077.83	825,028.45
13	09/01/2021	9,450.00	3,347.51	6,102.49	818,925.96
14	10/01/2021	9,450.00	3,322.75	6,127.25	812,798.71
15	11/01/2021	9,450.00	3,297.89	6,152.11	806,646.60
16	12/01/2021	9,450.00	3,272.92	6,177.08	800,469.52
2021 Totals		113,400.00	40,900.58	72,499.42	
17	01/01/2022	9,450.00	3,247.86	6,202.14	794,267.38
18	02/01/2022	9,450.00	3,222.70	6,227.30	788,040.08
19	03/01/2022	9,450.00	3,197.43	6,252.57	781,787.51
20	04/01/2022	9,450.00	3,172.06	6,277.94	775,509.57
21	05/01/2022	9,450.00	3,146.59	6,303.41	769,206.16
22	06/01/2022	9,450.00	3,121.01	6,328.99	762,877.17
23	07/01/2022	9,450.00	3,095.33	6,354.67	756,522.50
24	08/01/2022	9,450.00	3,069.55	6,380.45	750,142.05
25	09/01/2022	9,450.00	3,043.66	6,406.34	743,735.71
26	10/01/2022	9,450.00	3,017.67	6,432.33	737,303.38
27	11/01/2022	9,450.00	2,991.57	6,458.43	730,844.95
28	12/01/2022	9,450.00	2,965.36	6,484.64	724,360.31
2022 Totals		113,400.00	37,290.79	76,109.21	
29	01/01/2023	9,450.00	2,939.05	6,510.95	717,849.36

Abbey Resources Corp.

	Date	Lease Payment	Interest	Principal	Balance	
	30	02/01/2023	9,450.00	2,912.63	6,537.37	711,311.99
	31	03/01/2023	9,450.00	2,886.11	6,563.89	704,748.10
	32	04/01/2023	9,450.00	2,859.48	6,590.52	698,157.58
	33	05/01/2023	9,450.00	2,832.74	6,617.26	691,540.32
	34	06/01/2023	9,450.00	2,805.89	6,644.11	684,896.21
	35	07/01/2023	9,450.00	2,778.93	6,671.07	678,225.14
	36	08/01/2023	9,450.00	2,751.86	6,698.14	671,527.00
	37	09/01/2023	9,450.00	2,724.68	6,725.32	664,801.68
	38	10/01/2023	9,450.00	2,697.40	6,752.60	658,049.08
	39	11/01/2023	9,450.00	2,670.00	6,780.00	651,269.08
	40	12/01/2023	9,450.00	2,642.49	6,807.51	644,461.57
	2023 Totals		113,400.00	33,501.26	79,898.74	
	41	01/01/2024	9,450.00	2,614.87	6,835.13	637,626.44
	42	02/01/2024	9,450.00	2,587.13	6,862.87	630,763.57
	43	03/01/2024	9,450.00	2,559.29	6,890.71	623,872.86
	44	04/01/2024	9,450.00	2,531.33	6,918.67	616,954.19
	45	05/01/2024	9,450.00	2,503.26	6,946.74	610,007.45
	46	06/01/2024	9,450.00	2,475.07	6,974.93	603,032.52
	47	07/01/2024	9,450.00	2,446.77	7,003.23	596,029.29
	48	08/01/2024	9,450.00	2,418.36	7,031.64	588,997.65
	49	09/01/2024	9,450.00	2,389.83	7,060.17	581,937.48
	50	10/01/2024	9,450.00	2,361.18	7,088.82	574,848.66
	51	11/01/2024	9,450.00	2,332.42	7,117.58	567,731.08
	52	12/01/2024	9,450.00	2,303.54	7,146.46	560,584.62
	2024 Totals		113,400.00	29,523.05	83,876.95	
	53	01/01/2025	9,450.00	2,274.54	7,175.46	553,409.16
	54	02/01/2025	9,450.00	2,245.43	7,204.57	546,204.59
	55	03/01/2025	9,450.00	2,216.20	7,233.80	538,970.79
	56	04/01/2025	9,450.00	2,186.84	7,263.16	531,707.63
	57	05/01/2025	9,450.00	2,157.37	7,292.63	524,415.00
	58	06/01/2025	9,450.00	2,127.79	7,322.21	517,092.79
	59	07/01/2025	9,450.00	2,098.08	7,351.92	509,740.87
	60	08/01/2025	9,450.00	2,068.25	7,381.75	502,359.12
	61	09/01/2025	9,450.00	2,038.29	7,411.71	494,947.41
	62	10/01/2025	9,450.00	2,008.22	7,441.78	487,505.63
	63	11/01/2025	9,450.00	1,978.03	7,471.97	480,033.66
	64	12/01/2025	9,450.00	1,947.71	7,502.29	472,531.37
	2025 Totals		113,400.00	25,346.75	88,053.25	
	65	01/01/2026	9,450.00	1,917.27	7,532.73	464,998.64
	66	02/01/2026	9,450.00	1,886.71	7,563.29	457,435.35
	67	03/01/2026	9,450.00	1,856.02	7,593.98	449,841.37
	68	04/01/2026	9,450.00	1,825.21	7,624.79	442,216.58
	69	05/01/2026	9,450.00	1,794.27	7,655.73	434,560.85
	70	06/01/2026	9,450.00	1,763.21	7,686.79	426,874.06
	71	07/01/2026	9,450.00	1,732.02	7,717.98	419,156.08
	72	08/01/2026	9,450.00	1,700.70	7,749.30	411,406.78

Abbey Resources Corp.

Date	Lease Payment	Interest	Principal	Balance
73 09/01/2026	9,450.00	1,669.26	7,780.74	403,626.04
74 10/01/2026	9,450.00	1,637.69	7,812.31	395,813.73
75 11/01/2026	9,450.00	1,605.99	7,844.01	387,969.72
76 12/01/2026	9,450.00	1,574.17	7,875.83	380,093.89
2026 Totals	113,400.00	20,962.52	92,437.48	
77 01/01/2027	9,450.00	1,542.21	7,907.79	372,186.10
78 02/01/2027	9,450.00	1,510.12	7,939.88	364,246.22
79 03/01/2027	9,450.00	1,477.91	7,972.09	356,274.13
80 04/01/2027	9,450.00	1,445.56	8,004.44	348,269.69
81 05/01/2027	9,450.00	1,413.09	8,036.91	340,232.78
82 06/01/2027	9,450.00	1,380.48	8,069.52	332,163.26
83 07/01/2027	9,450.00	1,347.73	8,102.27	324,060.99
84 08/01/2027	9,450.00	1,314.86	8,135.14	315,925.85
85 09/01/2027	9,450.00	1,281.85	8,168.15	307,757.70
86 10/01/2027	9,450.00	1,248.71	8,201.29	299,556.41
87 11/01/2027	9,450.00	1,215.43	8,234.57	291,321.84
88 12/01/2027	9,450.00	1,182.02	8,267.98	283,053.86
2027 Totals	113,400.00	16,359.97	97,040.03	
89 01/01/2028	9,450.00	1,148.48	8,301.52	274,752.34
90 02/01/2028	9,450.00	1,114.79	8,335.21	266,417.13
91 03/01/2028	9,450.00	1,080.97	8,369.03	258,048.10
92 04/01/2028	9,450.00	1,047.02	8,402.98	249,645.12
93 05/01/2028	9,450.00	1,012.92	8,437.08	241,208.04
94 06/01/2028	9,450.00	978.69	8,471.31	232,736.73
95 07/01/2028	9,450.00	944.32	8,505.68	224,231.05
96 08/01/2028	9,450.00	909.81	8,540.19	215,690.86
97 09/01/2028	9,450.00	875.15	8,574.85	207,116.01
98 10/01/2028	9,450.00	840.36	8,609.64	198,506.37
99 11/01/2028	9,450.00	805.43	8,644.57	189,861.80
100 12/01/2028	9,450.00	770.35	8,679.65	181,182.15
2028 Totals	113,400.00	11,528.29	101,871.71	
101 01/01/2029	9,450.00	735.14	8,714.86	172,467.29
102 02/01/2029	9,450.00	699.78	8,750.22	163,717.07
103 03/01/2029	9,450.00	664.27	8,785.73	154,931.34
104 04/01/2029	9,450.00	628.63	8,821.37	146,109.97
105 05/01/2029	9,450.00	592.83	8,857.17	137,252.80
106 06/01/2029	9,450.00	556.90	8,893.10	128,359.70
107 07/01/2029	9,450.00	520.81	8,929.19	119,430.51
108 08/01/2029	9,450.00	484.58	8,965.42	110,465.09
109 09/01/2029	9,450.00	448.21	9,001.79	101,463.30
110 10/01/2029	9,450.00	411.68	9,038.32	92,424.98
111 11/01/2029	9,450.00	375.01	9,074.99	83,349.99
112 12/01/2029	9,450.00	338.19	9,111.81	74,238.18
2029 Totals	113,400.00	6,456.03	106,943.97	
113 01/01/2030	9,450.00	301.22	9,148.78	65,089.40

Abbey Resources Corp.

Date	Lease Payment	Interest	Principal	Balance
114 02/01/2030	9,450.00	264.10	9,185.90	55,903.50
115 03/01/2030	9,450.00	226.83	9,223.17	46,680.33
116 04/01/2030	9,450.00	189.40	9,260.60	37,419.73
117 05/01/2030	9,450.00	151.83	9,298.17	28,121.56
118 06/01/2030	9,450.00	114.10	9,335.90	18,785.66
119 07/01/2030	9,450.00	76.22	9,373.78	9,411.88
120 08/01/2030	9,450.00	38.12	9,411.88	0.00
2030 Totals	75,600.00	1,361.82	74,238.18	
Grand Totals	1,134,000.00	234,000.00	900,000.00	



Abbey Resources Corp.

Last interest amount decreased by 0.07 due to rounding.

W. J.

PROMISSORY NOTE

(this "Note")

Borrower: Optimum Petroleum Services Inc. of Suite 700, 505 3rd Street SW, Calgary, Alberta T2P-3E6 (the "Borrower")

Lender: Abbey Resources Corp. of Suite 700, 505 3rd Street SW, Calgary, Alberta T2P-3E6 (the "Lender")

Due: November 1, 2023 (the "Maturity Date")

Principal: \$5,206,063 CDN

WHEREAS the Borrower is indebted to the Lender pursuant to the loan made by the Lender to the Borrower in the aggregate amount of \$5,206,063 hereto (the "Debt") as evidenced by the promissory note of the Borrower.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and mutual covenants and agreements hereinafter set forth, the Borrower and the Lender (each a "Party", collectively, the "Parties") have agreed as follows:

1. FOR VALUE RECEIVED, the Borrower promises to pay to the Lender the principal sum of **FIVE MILLION TWO HUNDRED AND SIX THOUSAND AND SIXTY-THREE DOLLARS** (\$5,206,063) in lawful money of Canada, payable at par in the City of Calgary, Province of Alberta, with interest on such sum at the rate of zero percent (0%) per annum.
2. Repayment in whole or part of the principle sum or interest thereon shall be subject to the terms and conditions in the Purchase and Sale Agreement dated November 1, 2020, between the Borrower and the Lender and the Terms of Payment in Clause 5.
3. The Lender shall be liable for all costs, expenses and expenditures incurred including, without limitation, the complete legal costs of the Lender incurred by enforcing this Note as a result of any default by the Borrower and such costs will be added to the principal then outstanding and shall be due and payable by the Borrower to the Lender immediately upon demand of the Lender.
4. If any term, covenant, condition or provision of this Note is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Note will in no way be affected, impaired or invalidated as a result.

5. Terms of payment.

- Lender will pay Borrower **ONE MILLION SEVEN HUNDRED THIRTY FIVE THOUSAND THREE HUNDRED FIFTY-FOUR DOLLARS** (\$1,735,354) per annum for 3 years under the terms and conditions of a Right of Use Asset agreement dated November 1st, 2020 (the "ROU"), which is attached hereto as Schedule A.
- Borrower will credit the amounts received under the ROU to the balance of the Note without interest or penalty.
- Upon the Note being repaid in full after the three year term the ROU will continue on a month to month basis for \$1/annum.
- If the Lender files for bankruptcy or causes a lien to be registered against the Assets for non-payment of Municipal or Government fees, then the Note payable shall be reduced to \$1 and the Assets will be surrendered in full to the Borrower as liquidated damages.

IN WITNESS WHEREOF the parties have duly affixed their signatures under seal

DATED as of the 1st day of November, 2020.

Abbey Resources Corp. (Lender)

Optimum Petroleum Services Inc. (Borrower)



Jim Gettis, President

Jim Gettis, President

Right of Use Agreement

THIS RIGHT OF USE AGREEMENT dated this 1st day of November, 2020

BETWEEN:

Abbey Resources Corp., a body corporate, registered to carry on business in the Province of Alberta and the Province of Saskatchewan and having an office in Calgary, Alberta ("Abbey")

OF THE FIRST PART

- AND -

Optimum Petroleum Services Inc., a body corporate, registered to carry on business in the Province of Alberta and the Province of Saskatchewan having an office in Calgary, Alberta ("Optimum")

OF THE SECOND PART

WHEREAS the parties have entered into a Purchase and Sale Agreement dated November 1, 2020 ("PSA") whereby Abbey sold certain oilfield equipment and assigned a building to Optimum; and

WHEREAS Optimum has agreed to allow Abbey the exclusive use of the same oilfield equipment and building, pursuant to the terms hereof;

THEREFORE, IN CONSIDERATION OF THE COVENANTS and agreements contained in this Right of Use Agreement ("ROU") the parties hereto agree as follows:

Equipment

1. Optimum agrees to allow Abbey the exclusive and unrestricted right to use the tangible equipment and office building, as set out and described in the following Schedules, all of which are attached hereto and made part of this ROU (collectively, the "Equipment") from November 1, 2020:

Schedule 1: Surplus Equipment

Schedule 2: Operating Equipment

Schedule 3: Mobile Equipment

Schedule 4: Building, Lease Agreement and Option to Purchase

Effective Date

2. The Effective Date of this ROU shall be November 1, 2020.

Term of the Right of Use Agreement ("ROU")

3. Abbey is committed to use the Equipment under this ROU until the Promissory Note dated November 1, 2020 entered into by the parties pursuant to the PSA (the "Promissory Note") has been paid in full. Upon payment of the Promissory Note in full, Abbey's commitment under the ROU will evergreen on a month to month basis until a 30 day written notice to terminate the ROU is provided by Optimum or Abbey.

Annual Right of Use fees

4. Abbey will accrue to Optimum annually the amount of ONE MILLION SEVEN HUNDRED THIRTY FIVE THOUSAND THREE HUNDRED FIFTY FOUR DOLLARS (\$1,735,354 CDN) (the "Rent") for the use of the Equipment. Said Rent shall be offset against the amounts owed to Abbey from Optimum pursuant to the Promissory Note, and shall be payable for three years from the date hereof. For clarity, the total rent payable is FIVE MILLION TWO HUNDRED SIX THOUSAND SIXTY THREE DOLLARS (\$5,206,063 CDN).

5. Effective November 1, 2023, the rent payable hereunder shall be ONE DOLLAR (\$1 CDN) per year.

Maintenance of Equipment

6. Abbey will be solely responsible for all costs associated with the servicing and maintenance of the Equipment for as long as Abbey is benefiting from the right of use granted hereunder.

Risk of Loss

7. The risk of loss from any casualty to the Equipment, regardless of the cause, will be Abbey's responsibility while under Abbey's care, custody and control. Abbey will be required to carry, maintain and pay for insurance during the time Optimum provides the Equipment for the benefit and use by Abbey. Optimum will be a loss payee under the Abbey insurance contract.

Warranties

8. THE EQUIPMENT IS PROVIDED 'AS IS' AND OPTIMUM EXPRESSLY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Optimum's above disclaimer of warranties does not, in any way, affect the terms of any applicable warranties from the manufacturer of the Equipment.

9. Optimum has been given the opportunity to inspect the Equipment or to have it inspected and Optimum has accepted the Equipment in its existing condition. Further, Optimum disclaims any warranty as to the condition of the Equipment.

Title

10. Title to the Equipment will remain with Optimum upon termination of the ROU.

Termination

11. This ROU will terminate upon the written agreement of both parties pursuant to clause 3, or:

- a. in the event of Abbey's insolvency or bankruptcy; or
- b. if Abbey allows liens to burden the Equipment for non-payment of Municipal, Government or third party fees incurred during the course of Abbey's enjoyment of the Equipment.

Notices

12. Any notice to be given or document to be delivered to either party pursuant to this ROU will be sufficient if delivered personally or sent by prepaid registered mail to the address specified below. Any written notice or delivery of documents will have been given, made and received on the day of delivery if delivered personally, or on the third (3rd) consecutive business day next following the date of mailing if sent by prepaid registered mail:

Abbey:

Abbey Resources Corp.
Suite 700, 505 - 3rd Street SW
Calgary AB T2P 3E6

Optimum:

Optimum Petroleum Services Inc.
Suite 700, 505 - 3rd Street SW
Calgary AB T2P 3E6

Mediation and Arbitration

13. If any dispute relating to this ROU between the parties is not resolved through informal discussion within 14 days from the date a dispute arises, the parties agree to submit the issue first before a non-binding mediator and to an arbitrator in the event that mediation fails. The decision of the arbitrator will be binding on the parties. Any mediator or arbitrator must be a neutral party acceptable to both parties. The cost of any mediations or arbitration will be shared equally by the parties.

General Provisions

14. Headings are inserted for convenience only and are not to be considered when interpreting this ROU. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.

15. Neither party may assign its right or delegate its performance under this ROU without the prior written consent of the other party, which shall not be unreasonably withheld. Any attempted assignment or delegation without such consent will be null and void. An assignment that would change the duty imposed by this ROU that would increase the burden or risk involved and would impair the chance of obtaining performance or payment will not be considered.

16. This ROU cannot be modified in any way except in writing signed by all the parties to this Agreement.

17. This ROU will be governed by and construed in accordance with the laws of the Province of Alberta and the Seller and the Buyer hereby attorn to the jurisdiction of the Courts of the Province of Saskatchewan.

18. If any clause of this ROU is held unconscionable by any court of competent jurisdiction, arbitration panel or other official finder of fact, the clause will be deleted from this Agreement and the balance of this ROU will remain in full force and effect.

19. This ROU will inure to the benefit of and be binding upon Abbey and Optimum and their respective successors and assigns.

20. This ROU may be executed in counterparts. Facsimile signatures are binding and are considered to be original signatures.

21. Time is of the essence in this ROU.

22. This ROU constitutes the entire agreement between the parties and there are no further items or provisions, either oral or otherwise. Abbey acknowledges that it has not relied upon any representations of Optimum as to prospective performance of the Equipment, but has relied upon its own inspection and investigation of the subject matter.

IN WITNESS WHEREOF the parties have executed this Right of Use Agreement on this 1st day of November, 2020.

Abbey Resources Corp.



Jim Gettis, President

Optimum Petroleum Services Inc.



Jim Gettis, President

THIS IS EXHIBIT "D" referred to in the Affidavit of **JAMES GETTIS** SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 28th day of July 2021.



A COMMISSIONER FOR OATHS in and for the Province of Alberta.
Being a Solicitor

TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

EXHIBIT A

 <p>TWIN EAGLE™ RESOURCE MANAGEMENT</p>	<p>Date: November 1, 2017 Transaction Confirmation #: _____</p>
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This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated August 23, 2016. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

<p>SELLER: Abbey Resources Corp. Suite 700, 505 – 3rd Street SW Calgary, AB T2P 3E6 Attn: Jim Gettis Phone: (403) 288-4642 Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____</p>	<p>BUYER: Twin Eagle Resource Management Canada, LLC 8847 W. Sam Houston Pkwy N. Houston, TX 77040 Attn: Confirmations Department Phone: (713) 341-7300 Fax: (713) 341-7392 Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____</p>
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Contract Price: See Special Conditions below.

Delivery Period: See Special Conditions below.

Performance Obligation and Contract Quantity: (Select One)

<p>Firm (Fixed Quantity): _____ GJ/day <input type="checkbox"/> EFP</p>	<p>Firm (Variable Quantity): <input checked="" type="checkbox"/> 0* GJ/day Minimum _____ N/A MMBtus/day Maximum</p>	<p>Interruptible: Up to _____ GJ/day</p>
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(*Subject to the dedication provisions in Article 4 of the Special Conditions herein)

Delivery Point(s): Those receipt points on the TransGas pipeline system: (a) meter #376 or as mutually agreed upon by Buyer and Seller.
(If a pooling point is used, list a specific geographic and pipeline location):

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Special Conditions:

1. Contract Quantity

- 1.1. The "Contract Quantity" shall be any and all Gas Seller produces from the Shackleton Assets pursuant to Article 4, which shall be comprised of:
 - (a) up to 804 GJ/day of Gas produced from the Shackleton Assets (the "Prepaid Volumes"); and
 - (b) any and all volumes of Gas produced from the Shackleton Assets over and above the Prepaid Volumes (the "Incremental Dedicated Production")
 during the applicable Delivery Period.
- 1.2. If on any Day during the Delivery Period, Seller delivers less than the Prepaid Volume for such Day, then any amount of such short fall (the "Carry-Forward Amount") shall be added to the following Day's required quantity of Prepaid Volumes. Accordingly, during the Delivery Period in respect of Prepaid Volumes, any Gas delivered to Buyer during any Day shall be deemed to be Prepaid Volumes up until the point where such quantity of delivered Gas equals the Prepaid Volume for

such Day plus any applicable Carry-Forward Amount. Thereafter, any volume of delivered Gas for such Day in excess of such amount shall be considered Incremental Dedicated Production.

2. Delivery Period

2.1. The "Delivery Period" in respect of:

- (a) Prepaid Volumes, shall commence on November 1, 2017 and shall end upon delivery to Buyer of an aggregate amount of Prepaid Volumes equaling 1,174,644 GJs; and
- (b) Incremental Dedicated Production, shall commence on November 1, 2017 and end on October 31, 2021 provided that such end date shall be extended by a period equal to any periods during which Force Majeure is claimed.

3. Contract Price

3.1. The "Contract Price" shall be:

- (a) for each GJ of the Prepaid Volumes, \$1.49 per GJ; and
- (b) for each GJ of the Incremental Dedicated Production, the applicable Incremental Dedicated Production Contract Price (as defined below).

3.2. Notwithstanding Section 7.2 of the General Terms and Conditions, in respect of Prepaid Volumes, Buyer shall pre-pay to Seller as follows:

- (a) The effective date of this Transaction Confirmation - CAD\$1,750,000 plus applicable GST in respect of such amount;

(the "Prepaid Volumes Contract Price") provided that as a condition precedent to any such pre-payment obligations, Seller shall not have committed an Event of Default.

3.3. The Contract Price for each GJ of Incremental Dedicated Production shall be:

- (a) The price per unit for the Delivery Period as published in Canadian Enerdata Ltd.'s "Canadian Gas Price Reporter", table "NGX AB-NIT same Day Index #", column "Avg.", row "5A Arithmetic Avg.****" (CAD/GJ). Does not include day deals done on Friday, during the weekend, or on non-trading days determined by NGX that fall in conjunction with the weekend. The weekend # is used as a proxy for each of these days; plus
- (b) TEP differential to AECO, currently set at CAD\$0.12/GJ, will be adjusted, up or down, to reflect the arithmetic average of the applicable flow month daily weighted average price of the NGX listed trades for the applicable flow date. For any flow date, where no trade data exists, counterparties will mutually agree on the differential. Should no agreement be reached on a daily basis, the weighted average differential for the flow date immediately preceding the flow date in question will apply. A fixed TEP differential of CAD\$0.12/GJ will be locked in for any hedge volume agreed to between Buyer and Seller for any portion of the remaining term; less
- (c) CAD\$0.03/GJ,
(the "Incremental Dedicated Production Contract Price").

4. Dedication of Shackleton Assets Production

- 4.1. Seller hereby dedicates to the performance of its obligations under this Contract all Gas produced from the Shackleton Assets provided that Seller need not deliver to Buyer such Gas as may be used, consumed or lost in the operation of the Shackleton Assets in accordance with accepted oil and gas industry practices. Seller shall not, on any Day during the Delivery Period, sell, trade, assign or otherwise transfer or dispose of any Gas produced from the Shackleton Assets other than to the Buyer hereunder.
- 4.2. While Seller is not required to deliver a minimum amount of Gas to Buyer per day, Seller shall conduct all operations of the Shackleton Assets in a diligent and effective manner with a view to producing Gas from the Shackleton Assets. The Seller shall operate the Shackleton Assets in accordance with accepted oil and gas industry practices and shall exercise the degree of diligence and prudence reasonably and ordinarily exercised by an experienced operator engaged in similar activities and under similar circumstances and conditions.

5. Seller Representations and Warranties

- 5.1. The condensed interim financial statements of Seller as at July 31, 2017 and the related statements of income and of cash flows for the fiscal year ended on such date, copies of each which have heretofore been furnished to Buyer, in each case present fairly in all material respects the financial condition of Seller, and the results of their operations and their cash flows for the fiscal year then ended. The unaudited balance sheet of Seller as at September 30, 2016 and the related unaudited statements of income and of cash flows for the three-month period ended on such date, certified by an officer of Seller, copies of which have heretofore been furnished to Buyer, in each case present fairly the financial condition of Seller as at such date, and the results of their operations and their cash flows for the three-month period then ended (subject to normal year-end audit adjustments). The financial statements described in this Section 5.1 including the related schedules and notes thereto, have been prepared in accordance with IFRS, in each case applied consistently throughout the periods involved (except as approved by such accountants and as disclosed therein). Since July 31, 2017 there has been no development or event which has had or could reasonably be expected to have a material adverse effect on Seller.

SELLER
ABBAY RESOURCES CORP.



James G. Gettis

President

November 1, 2017

PARTY

Signature

Name

Title

Date

BUYER
TWIN EAGLE RESOURCE MANAGEMENT
CANADA, LLC

November 1, 2017

SELLER
ABBAY RESOURCES CORP.

November 1, 2017

PARTY

Signature

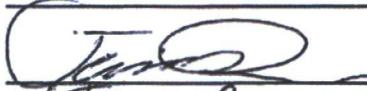
Name

Title

Date

BUYER

**TWIN EAGLE RESOURCE MANAGEMENT
CANADA, LLC**



Jeremy Davis

EvP, COO

November 1, 2017

THIS IS EXHIBIT "E" referred to in
the Affidavit of **JAMES GETTIS**
SWORN BEFORE ME at the City of
Calgary, in the Province of Alberta, this 28th
day of July 2021.



A COMMISSIONER FOR OATHS in and
for the Province of Alberta.
Being a Solicitor

Pricing Schedule



1627 Ashley Drive
 Swift Current, SK, S9H 1N8
 Phone: 306-750-9848
 E-mail: office@venomcoil.ca
www.venomcoil.ca

Customer:	SK - ASCP Program Stage II No. 7710-1				
Prepared For:	response@gov.sk.ca	Date:	Rev. November 24th, 2020		
Equipment		UOM	Price		
<u>Coiled Tubing Services</u>					
Coil Rig Moving and Operating		Per Hour	\$350.00		
Inc. Catch Tank					
Cement Trailer w/10m3 water		Per Hour	\$75.00		
Cementing Trailer - No water		Per Hour	\$35.00		
Side Spooler		Per Day	\$300.00		
Crew Support Vehicle		Per KM	\$0.50		
Abrasive Charge (Cementing Bottoms Up, Acid)		Per Well	\$500.00		
Coiled Tubing Meterage (Class 2 Only)		Per Meter	\$0.80		
<u>Tool Run Charges</u>					
			4 1/2"	5 1/2"	7"
Casing Scraper	Per Run	\$300.00	\$400.00	\$550.00	
Collar Locator	Per Run	\$100.00	\$150.00	\$250.00	
Hydraulic Setting Tool	Per Run	\$450.00	\$600.00	\$750.00	
J-Latch	Per Run	\$250.00	\$350.00	\$500.00	
VCT-CMT Ball Spot Sub (Includes Class G Cement)	Per Run	\$300.00	\$400.00	\$500.00	
<u>Permanent Plugs</u>					
			4 1/2"	5 1/2"	7"
5k Plug	Per Plug	\$450.00			
10k Plug	Per Plug	\$525.00	\$650.00	\$850.00	
<u>Additional Charges</u>					
			4 1/2"	5 1/2"	7"
Standby	Per Day				\$750.00
BOP's if Required	Per Well	\$600.00	\$900.00	\$1,400.00	
Crew Subsistence	Per Man				\$50.00
Specialty Tools	Per Occur				Cost w/receipt
Permits	Per Occur				Cost w/receipt
Mobilize and Demobilize	Per Occur				Cost w/receipt
Venom Rep:	Dean Adair	MGMT:	Mark Fisher	Matt Bruins	



COIL - ASCP

1627 Ashley Drive
 Swift Current, SK, S9H 1N8
 Phone: 1-306-750-9848
 office@venomcoil.ca

Date: 22/12/2020
 Quote #: 20965

Jim Gettis

Abbey Resources

Assumptions:

Single Zone Milk River Abandonments on 4 1/2" Class 1 Wells
 Cabri, Kyle, or Whitebear Areas
 3 Wells per day
 No String Pulls - Customer Supplied Water

Quantity	Description	Unit price	Amount
	Operating		
100	4 1/2" Zonal Abandonment - Operating Hrs	\$ 1,400.00	\$ 140,000.00
100	4 1/2 5K Plug	\$ 450.00	\$ 45,000.00
	Downhole Tools		
100	Cementing Trailer No Water	\$ 210.00	\$ 21,000.00
100	Casing Scraper	\$ 300.00	\$ 30,000.00
100	Hydraulic Setting Tool	\$ 450.00	\$ 45,000.00
100	Collar Locator	\$ 100.00	\$ 10,000.00
100	Cement Spotting Tool / Cement	\$ 300.00	\$ 30,000.00
	Support		
33	Crew Support Vehicle	\$ 125.00	\$ 4,125.00
33	Crew Subsistence (2 Men)	\$ 100.00	\$ 3,300.00
0	Crew Accom (cost with receipts)	\$ -	\$ 0.00
	* Normal operating rate: \$350		
Subtotal		BULK WELL DISCOUNT	\$ 328,425.00
		0%	\$ 0.00

This is a guideline quote only, not an invoice.
 Quotes are based on no well issues, weather delays, logistical problems, etc.
 Venom has submitted this quote to the customer for budgeting purposes.
 If you have any questions concerning this quote,
 contact Mark Fisher at (403) 502-6539, mark@venomcoil.ca
 Thank you for your business!

Discounted Total	\$	328,425.00
G.S.T.	\$	16,421.25
P.S.T.	\$	19,705.50
Balance due	\$	364,551.75



NuWave Industries Inc.
 Box 63 | Marwayne, Alberta | T0B 2X0
 1-844-583-3600 | www.nuwaveindustries.com

Quote:	20-NW-ARC-158	21-Dec-2020
Client:	Abbey Resources Corp	
Contact:	Jim Gettis	
Phone:	403-650-7511	
Email:	403-650-7511	

Project Name:	Kyle SK(SRC)				
Project Start Date:	2021				
Equipment	<table border="1"> <tr> <td>Basic Package</td> <td>-</td> </tr> <tr> <td>Pull & Removal Package</td> <td>-</td> </tr> </table>	Basic Package	-	Pull & Removal Package	-
Basic Package	-				
Pull & Removal Package	-				
Personnel	4 Crew Members				

Project Scope	
Wells	70
Pipeline Risers	35
Piles	0
Travel Days	1 Days
Operating Days	11 Days
Total Duration	12 Days
Wells	6.4 per Day
Pipeline Risers	3.2 per Day
Piles	0.0 per Day

Project Details	Rate	Quantity	Extended	Subtotal
<i>Travel is charged from Marwayne, AB to job location and return. For multiple wells, travel will be divided evenly onto each well field ticket</i>				
<i>Basic Package includes NuWave cutting unit and operators. It does not include a Backhoe, hydrovac or gravel truck.</i>				
<i>Well casing cuts require a centralizer cap system in addition to a well cut</i>				
<i>Pipeline riser cuts require a plug (sized to fit pipeline) and pipeline tags (BC & AB only)</i>				
<i>Additional equipment (picker truck, gravel truck, hydrovac etc.) charge the same hourly rate (equipment plus operator) for travel and operating</i>				
Initial Mobilization				
Basic Package	\$280.56	5.0		\$ 1,402.80
Pull & Removal Package	\$175.00	5.0		\$ 875.00
Daily Travel				
Basic Package	\$280.56	0.0	11.0 Days	\$ -
Pull & Removal Package	\$175.00	0.0	11.0 Days	\$ -
Project Equipment and Manpower				
Basic Package				\$ -
Well Cut & Cap	\$989.98	70.0		\$ 69,298.60
Per Conductor	\$659.99	0.0		\$ -
Initial Site Charge	\$329.99	0.0		\$ -
Pipeline Riser Cut & Cap	\$82.50	35.0		\$ 2,887.50
Pile Cut	\$82.50	0.0		\$ -
Pull & Removal Package	\$175.00	110.0		\$ 19,250.00
Hotels	\$ 150.00	4.0	Billed at Cost 11 Days	\$ 6,600.00
Meals	\$ 40.00	4.0	11 Days	\$ 1,760.00
Water Fiteration System Riquired	\$ 60.00	0.0		\$ -
Project Consumables				
Well Cap & Centralizer	\$120.00	0.0		\$ -
1.5" - 2" Mech Plug	\$20.82	0.0		\$ -
3" - 4" Mech Plug	\$49.01	35.0		\$ 1,715.35
6" Mech Plug	\$157.50	0.0		\$ -
8" Mech Plug	\$385.87	0.0		\$ -
10" Mech Plug	\$494.55	0.0		\$ -
Pipeline Tags	\$21.00	35.0		\$ 735.00
Bagged Black Dirt (22L)	\$8.00	0.0		\$ -
Final Demobilization				
Basic Package	\$280.56	5.0		\$ 1,402.80
Pull & Removal Package	\$175.00	5.0		\$ 875.00
Estimated Project Total				\$ 106,802.05

Estimated Cost per Well	\$ 1,416.63
Estimated Cost per Riser	\$ 218.24
Estimated Cost per Pile	N/A

Assumptions and Clarifications

Quote is based on minimal ground disturbance. Concrete cellars will require additional excavation and backfill time

Quote is based on an estimated one-way 5 hours (one-way) of travel to / from Project Location

Hotels will be Charged at actual cost and meals at \$40.00 per person per day.

Quote is based on 10 hour work days.

Quote is based on well stems to be left on lease. NuWave can remove and dispose of well stems for an additional fee

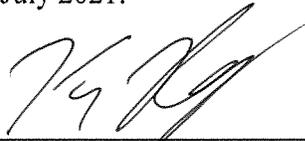
Quote assumes unimpeded access to location. No allowance has been made for access matting or towing of vehicles

Quote is based on cement levels below cut depth. Standby time at travel rates will be charged if cuts cannot occur because of cement to surface

No allowance has been made for road bans. Customer is responsible for all permits

This quote is valid for the next 30 days, after which rates may be subject to change.

THIS IS EXHIBIT "F" referred to in
the Affidavit of **JAMES GETTIS**
SWORN BEFORE ME at the City of
Calgary, in the Province of Alberta, this 28th
day of July 2021.



A COMMISSIONER FOR OATHS in and
for the Province of Alberta.
Being a Solicitor.

Summary

Description	Number	Venom	NuWave	Millennium	Total
Free Standing		\$3,285	\$1,600	\$5,700	\$10,585
Husky	58	\$190,530	\$92,800	\$330,600	
Enerplus	34	\$111,690	\$54,400	\$193,800	
Total	92	\$302,220	\$147,200	\$524,400	
Wells tied in		\$3,285	\$1,825	\$5,700	\$10,810
Husky	127	\$417,195	\$231,775	\$723,900	
Sanctuary	3	\$9,855	\$5,475	\$17,100	
Andjelic	13	\$42,705	\$23,725	\$74,100	
Day	5	\$16,425	\$9,125	\$28,500	
Total	148	\$486,180	\$270,100	\$843,600	
Grand Total	240	\$788,400	\$417,300	\$1,368,000	\$2,573,700
Reclamation					
Shackleton	20			\$114,000	
Lacadena	10			\$57,000	
Total				\$171,000	
Project Total		\$788,400	\$417,300	\$1,539,000	\$2,744,700
ASCP Funding Phase 1 and 11					\$4,808,614
Percentage used					57%

THIS IS EXHIBIT "G" referred to in
the Affidavit of **JAMES GETTIS**
SWORN BEFORE ME at the City of
Calgary, in the Province of Alberta, this 28th
day of July 2021.



A COMMISSIONER FOR OATHS in and
for the Province of Alberta.
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Archived: Wednesday, July 28, 2021 4:17:55 PM

From: [Gillanders, Dustin](#)

Mail received time: Thu, 15 Apr 2021 12:47:58

Sent: Thu, 15 Apr 2021 18:47:55

To: [Jean Jordaan](#)

Subject: RE: RM of Lacadena 228 v Abbey Resources Corp [MTDMS-Legal.FID9471316]

Importance: Normal

Sensitivity: None

Attachments:

[image4880d0.PNG](#) 

Hi Jean, I spoke with my client and was instructed to convey the following:

Further to your letter of April 12, 2021 and your email of April 14, 2021, the Rural Municipality of Lacadena #228 (the "RM") will agree to the following:

The RM will refrain from enforcement of its Direction to Pay if the first payment of \$50,000 is received by April 16, 2021 and Abbey Resources shall continue to make payments of \$50,000 per month on or before the 15th of each month to follow until such time as tax arrears are brought current or an alternate arrangement is reached as between the parties.

Abbey Resources will provide a letter from an accredited accounting firm that they are engaged by Abbey Resources to complete an audited financial statement to be presented and reviewed by the RM in the course of negotiation of an agreement for the payment of tax arrears. The RM will have access to the audited Financial Statements and will be able to discuss their contents with the accredited accounting firm but any such information contained therein or discussed will be held in confidence by the RM.

Abbey Resources will bear the costs associated with audit.

In the event that we can reach an agreement on the payment obligations and your client's willingness to engage in the "audit" process, we can discuss further what that audit process might look like. As discussed, the RM is not interested in a full forensic audit of all wells in Abbey Resources' possession but the RM does require certain supporting documents in order to evaluate their respective rights.

DUSTIN L. GILLANDERS

Partner

Miller Thomson LLP

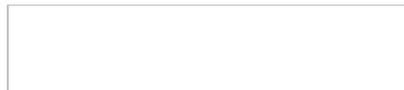
Suite 300, 15 - 23rd Street East
Saskatoon, Saskatchewan S7K 0H6

Direct Line: +1 306.667.5616

Fax: +1 306.652.1586

Email: dgillanders@millerthomson.com

millerthomson.com



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From: Jean Jordaan <JJordaan@andlaw.ca>
Sent: Wednesday, April 14, 2021 9:54 AM
To: Gillanders, Dustin <dgillanders@millertomson.com>
Subject: RE: RM of Lacadena 228 v Abbey Resources Corp [MTDMS-Legal.FID9471316]

Hi Dustin,

Referring to our call this morning, I confirm that my client will be making the \$50,000 payment at the end of April (as soon as possible after the 25) and will continue to do so at the end of each month until we can finalise the settlement.

My client is in agreement with having a meeting with an accounting firm to review the financials. If your client is comfortable with this as well, you or I can discuss it further.

Thank you for your attention to this matter.

Regards,



Jean Jordaan, LL.B.
LAWYER
E: jjordaan@andlaw.ca
P: 306-773-2891
F: 306-778-3364
51-1st Ave NW, Swift Current SK S9H 0M5
andersonandcompany.ca

Ref:

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From: Gillanders, Dustin <dgillanders@millertomson.com>
Sent: April 13, 2021 3:23 PM
To: Jean Jordaan <JJordaan@andlaw.ca>
Cc: Petres, Narmin <npetres@millertomson.com>
Subject: RE: RM of Lacadena 228 v Abbey Resources Corp [MTDMS-Legal.FID9471316]

Good Afternoon Jean,

Further to your letter of April 12, 2021, the Rural Municipality of Lacadena #228 (the "RM") will agree to the following:

1. The RM will refrain from enforcement of its Direction to Pay if the first payment of \$50,000 is received by

April 16, 2021 and Abbey Resources shall continue to make payments of \$50,000 per month on or before the 15th of each month to follow until such time as tax arrears are brought current or an alternate arrangement is reached as between the parties.

2. Abbey Resources will provide a letter from an accredited accounting firm that they are engaged by Abbey Resources to complete an audited financial statement to be presented and reviewed by the RM in the course of negotiation of an agreement for the payment of tax arrears. The RM will have access to the audited Financial Statements and will be able to discuss their contents with the accredited accounting firm but any such information contained therein or discussed will be held in confidence by the RM.
3. Abbey Resources will bear the costs associated with audit.

Regards,

DUSTIN L. GILLANDERS

Partner

Miller Thomson LLP

Suite 300, 15 - 23rd Street East
Saskatoon, Saskatchewan S7K 0H6

Direct Line: +1 306.667.5616

Fax: +1 306.652.1586

Email: dgillanders@millerthomson.com

millerthomson.com



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From: Jean Jordaan <JJordaan@andlaw.ca>

Sent: Monday, April 12, 2021 5:04 PM

To: Petres, Narmin <npetres@millerthomson.com>

Cc: Gillanders, Dustin <dgillanders@millerthomson.com>

Subject: [****EXT****] RE: RM of Lacadena 228 v Abbey Resources Corp [MTDMS-Legal.FID9471316]

Good afternoon,

Please see our letter attached.

Regards,



ANDERSON
& COMPANY

Jean Jordaan, LL.B.

LAWYER

E: jjordaan@andlaw.ca

P: 306-773-2891

F: 306-778-3364

51-1st Ave NW, Swift Current SK S9H 0M5

andersonandcompany.ca

Ref:

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From: Petres, Narmin <npetres@millerthomson.com>
Sent: April 8, 2021 4:32 PM
To: Jean Jordaán <JJordaán@andlaw.ca>
Cc: Gillanders, Dustin <dgillanders@millerthomson.com>
Subject: RM of Lacadena 228 v Abbey Resources Corp [MTDMS-Legal.FID9471316]

Good afternoon,

Please see the attached correspondence of today's date from Dustin Gillanders.

Regards,

Narmin

NARMIN PETRES

Litigation Legal Assistant

Miller Thomson LLP

Services provided through Miltom Management LP

Suite 300, 15 - 23rd Street East

Saskatoon, Saskatchewan S7K 0H6

Direct Line: +1 306.667.5605

Fax: +1 306.652.1586

Email: npetres@millerthomson.com

millerthomson.com



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Veuillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspects.

THIS IS EXHIBIT "H" referred to in the Affidavit of **JAMES GETTIS** SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 28th day of July 2021.



A COMMISSIONER FOR OATHS in and for the Province of Alberta.
Being a Solicitor.

GAS TRANSACTION CONFIRMATION

Date Generated: October 01, 2020

Contract: GasEDI-Abbey Resources

1. BUYER: Twin Eagle Resource Management Canada, LLC	SELLER: Abbey Resources Corp.	BASE CONTRACT DATE: July 28 2016	TRADE DATE: September 29 2020
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2. TRANSACTION DETAILS:

Transaction	Start Date	End Date	Quantity	Commodity Price (Settles in Cdn\$)	Service Quality (Int., Firm, or EFP)	Delivery Point	Delivery Pipeline
1664772 / 2026064	November 01 2020	March 31 2021	5,000 GJ Daily	\$3.150 Cdn/GJ	Firm	TransGas Generic Field Zone	TransGas <i>f</i>
1664772 / 2026069	April 01 2021	October 31 2021	5,500 GJ Daily	\$2.650 Cdn/GJ	Firm	TransGas Generic Field Zone	TransGas <i>f</i>

3. SPECIAL PROVISIONS, INCLUDING PRICE DETAILS (if any):

(This section is currently empty.)

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f

GAS TRANSACTION CONFIRMATION

BUYER: Twin Eagle Resource Management Canada, LLC
SELLER: Abbey Resources Corp.
CONTRACT: GasEDI-Abbey Resources
TRANSACTION ID: 1664772 (Trade Date: September 29, 2020)

Transportation Costs:

- 1664772 / 2026064 minus:
 - 1 TransGas / TransGas / TransGas Generic Field Zone / TEP Rec Pool (Firm) for all remaining volume
 - 1 TransGas / TransGas / TransGas Generic Field Zone / TEP Rec Pool / R11.0 / Demand charge (Firm) for all remaining volume
- 1664772 / 2026069 minus:
 - 1 TransGas / TransGas / TransGas Generic Field Zone / TEP Rec Pool (Firm) for all remaining volume
 - 1 TransGas / TransGas / TransGas Generic Field Zone / TEP Rec Pool / R11.0 / Demand charge (Firm) for all remaining volume

Confirm Special Language:

Transportation Services

Twin Eagle Resource Management Canada, LLC ("TERMC") will accept all transportation assignments from Abbey Resources Corp. ("Abbey"), both permanent and temporary, to facilitate the purchase of gas at Abbey's various meter points across Saskatchewan related to this transaction. TERMC will work with Abbey on a month ahead basis to allocated the appropriate amount of transportation service between the various meters and purchase additional transport when required. All transportation costs incurred by TERMC from TransGas to receive gas from Abbey's various meter points will be passed on to Abbey at cost.

TERMC shall have the right to re-assign all transportation assignments, both permanent and temporary, back to Abbey at its discretion at any time if there is a material change in the credit worthiness of Abbey. Effective the end date of the transaction, TERMC will assign back to Abbey any and all transport agreements that may be in effect beyond the end date whether previously assigned or that may have been contracted for by TERMC for the purpose of transporting Abbey volumes.

Location and Receipt Meters

The Included Receipt Points to facilitate the purchase of gas for this transaction at Abbey's meter points include, but are not limited to:

- Meter 324 – MIRY CREEK
- Meter 325 - CRAMERSBURG
- Meter 6261 - LACADENA
- Meter 6262 – SHACKLETON ABBEY

All volumes produced at Meter 1666 (CTC 376 – ABBEY – ABBEY RESOURCES LP) are not included in this transaction. 

Contract Quantity

Fixed Price Hedge Quantity: A fixed price quantity shall be a minimum amount of gas produced from the above meters no less than 5,000 GJ/day Winter (November 1, 2020 to March 31, 2021) and 5,500 GJ/day Summer (April 1, 2021 to October 31, 2021)

Incremental Dedicated Production: Any and all volumes of gas produced from the Included Receipt Point meters over and above the Fixed Price Hedge are deemed Incremental Dedicated Production

Extra Sales Gas: If on any day during the delivery period, Abbey produces less than the Fixed Price Hedge Quantity from the Included Receipt Points above, then any amount of such short fall will be considered Extra Sales Gas. This gas will be invoiced as a sale to Abbey. Should this volume change between the TransGas daily and/or monthly allocation reports, Twin Eagle will invoice the Extra Sale volume using whichever report contains the lowest total meter allocations for that particular shortfall day. 

Contract Price

Fixed Price Hedge Quantity: The contract price for each GJ of Fixed Price Hedge Quantity shall be \$3.15 CAD/GJ November 1, 2020 to March 31, 2021 and \$2.65 CAD/GJ April 1, 2021 to October 31, 2021

Incremental Dedicated Production The contract price for each GJ of Incremental Dedicated Production shall be NGX AB -NIT Same Day Index 5A (CGPR) CAD/GJ + \$0.15 CAD/GJ November 1, 2020 – October 31, 2021

Extra Sales Gas: The contract price for each GJ of Extra Sales Gas will be invoiced as daily sells to Abbey at TEP Daily Average Price (TEP Index (Internal)). The TEP Daily Average Price will be calculated as the daily weighted average price of the NGX listed trades for the applicable flow date at TEP listed as "NGX Phys. ID, 5a (CA/GJ), TEP". In the event no 5a TEP trades occur, the daily weighted average price of fixed price trades will be used "NGX Phys. ID, FP (CA/GJ), TEP". For any flow date where no trade data for the stated products exists, the weighted average for the flow date immediately preceding the flow date in question will apply.

4. CONTACT INFORMATION:

--

This Confirmation is intended only for the addressee and may contain information that is legally privileged, confidential and/or exempt from disclosure under applicable law. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you have received this communication in error, or are not the named recipient(s), please immediately notify the sender.



GAS TRANSACTION CONFIRMATION

BUYER: Twin Eagle Resource Management Canada, LLC
SELLER: Abbey Resources Corp.
CONTRACT: GasEDI-Abbey Resources
TRANSACTION ID: 1664772 (Trade Date: September 29, 2020)

Twin Eagle Resource Management Canada, LLC ("Company") Suite 1750-111 5 Ave SW Calgary, Alberta Canada T2P 3Y6 Attention: Confirmations Telephone No.: (713) 341-7300 Fax No.: (713) 341-7392 Email: confirmations@twineagle.com Marketing Rep: Torrie, Vaughan	Abbey Resources Corp. ("Customer") Suite 700, 505 - 3rd Street SW Calgary, Alberta Canada T2P 3E6 Attention: Confirmations Telephone No.: Fax No.: Email: jim.gettis@abbeyr.ca Marketing Rep: Jim Gettis
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5. (a) The above are the essential binding commercial terms of the Transaction in question. This Gas Transaction Confirmation (the "Transaction Confirmation") supplements, forms a part of, and is subject to a base contract executed between the parties covering physical natural gas transactions (the "Contract"). If the parties hereto have not executed a Contract, the terms and conditions of the GasEDI Base Contract for Sale and Purchase of Natural Gas, as published on August 31, 2005 (the "GasEDI") are hereby incorporated into this Transaction Confirmation. All provisions contained in the GasEDI are in full force and effect and shall govern this Transaction Confirmation except as expressly modified herein, until such time that a Contract is executed between the parties. Upon execution and delivery of such Contract, this Transaction Confirmation shall supplement, form a part of, and be subject to such Contract without further amendment or modification. In the event any inconsistency exists between this Transaction Confirmation and the GasEDI and/or Contract, this Transaction Confirmation shall govern.

(b) If this Transaction Confirmation correctly sets forth the terms of the Transaction, please confirm by signing below and returning this Transaction Confirmation via fax or email within two (2) Business Days from receipt of this Transaction Confirmation. If you believe that the Transaction Confirmation does not correctly set forth the terms of the Transaction, identify the purported error on the Transaction Confirmation and return via fax or email. Failure to reply or object within such time period shall constitute acceptance of the terms set forth in the Transaction Confirmation, absent manifest error.

Twin Eagle Resource Management Canada, LLC

Abbey Resources Corp.




Authorized Signature _____ Sign On:
 By: Jeremy Davis

Authorized Signature _____ Sign On:
 James G Gettis
 President

This Confirmation is intended only for the addressee and may contain information that is legally privileged, confidential and/or exempt from disclosure under applicable law. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you have received this communication in error, or are not the named recipient(s), please immediately notify the sender.