

## AMALGAMATION AGREEMENT

**THIS AMALGAMATION AGREEMENT** is made this 6th day of April, 2021.

**BETWEEN:**

**WEF OSUM ACQUISITION CORP.**, a corporation existing under the laws of the Province of Alberta,

("WOAC")

- and -

**OSUM OIL SANDS CORP.**, a corporation existing under the laws of the Province of Alberta,

("Osum")

(together, the "**Parties**", and each of them, a "**Party**")

**RECITALS:**

- A. WOAC and Osum have agreed to amalgamate pursuant to the ABCA (as defined below) and upon the terms and conditions set forth herein and continue as one corporation.
- B. WOAC is a corporation wholly-owned by Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, Waterous Energy Fund (International) LP, WEF Osum Co-Invest I LP, WEF Osum Co-Invest II LP and WEF Osum Co-Invest III LP (collectively, "**WEF**").
- C. WOAC was incorporated for the sole purpose of making the Offer (as defined below).
- D. The authorized share capital of WOAC consists of an unlimited number of Common Shares, of which 60,035,151.99 WOAC Shares are issued and outstanding as of the date hereof and are held by WEF.
- E. The authorized share capital of Osum consists of an unlimited number of common shares, of which 135,186,961 Osum Shares are issued and outstanding as of the date hereof.
- F. As of the date hereof, WOAC owns 56,999,475 Osum Shares, representing approximately 42.2% of the issued and outstanding Osum Shares, and WEF owns 60,035,152 Osum Shares, representing approximately 44.4% of the issued and outstanding Osum Shares.
- G. As set forth in the offer to purchase and take-over bid circular of WOAC dated November 4, 2020, as amended by a notice of variation and change dated February 18, 2021 and a notice of extension dated March 2, 2021 (the "**Offer and Circular**"), pursuant to which WOAC offered to purchase up to 57,000,000 Osum Shares at a price of \$3.00 per share (the "**Offer**"), WOAC and WEF stated that they intended to acquire the remainder of the Osum Shares not acquired under the Offer pursuant to a Subsequent Acquisition Transaction (as defined in the Offer and Circular) that may consist of, among other transactions, an amalgamation involving WOAC and Osum for consideration per Osum Share equal in amount to, and in the same form as, the consideration paid by WOAC under the Offer (being \$3.00 in cash per Osum Share).
- H. WOAC and Osum have each made disclosure to the other of their respective assets and liabilities.

- I. Each of Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, Waterous Energy Fund (International) LP, WEF Osum Co-Invest I LP, WEF Osum Co-Invest II LP and WEF Osum Co-Invest III LP have approved the Amalgamation (as defined below) on the terms and conditions set forth herein.

**NOW THEREFORE** in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the Parties agree as follows:

## 1. Definitions

In this Agreement, the following terms shall have the following respective meanings:

"**ABCA**" means the *Business Corporations Act*, RSA 2000, c B-9, as amended, including the regulations promulgated thereunder;

"**Agreement**" means this Amalgamation Agreement, including all Schedules, as may be supplemented, modified or amended in accordance with the terms herein, and references to "Article" or "Section" mean the specified Article or Section of this Agreement;

"**Amalco**" means the corporation continuing as a result of the Amalgamation;

"**Amalco Common Shares**" means the Common Shares in the capital of Amalco having the rights, privileges, restrictions and conditions set forth in Schedule "A";

"**Amalco Redeemable Preferred Shares**" means the Series A Preferred Shares in the capital of Amalco having the rights, privileges, restrictions and conditions set forth in Schedule "A";

"**Amalgamating Corporations**" means WOAC and Osum;

"**Amalgamation**" means the amalgamation of the Amalgamating Corporations under Section 181 of the ABCA, as contemplated in this Agreement;

"**Amalgamation Resolution**" means the special resolution to approve the Amalgamation and to confirm, ratify and approve this Agreement to be presented to the Osum Shareholders for approval at the Meeting, substantially in the form attached as Appendix A to the Circular;

"**ARC**" means an advance ruling certificate issued by the Commissioner pursuant to Section 102 of the Competition Act;

"**Articles of Amalgamation**" means the articles of amalgamation in respect of the Amalgamation, substantially in the form set out in Schedule "B", required under Section 185(1) of the ABCA to be filed with the Registrar to give effect to the Amalgamation;

"**Certificate of Amalgamation**" means the certificate of amalgamation to be issued by the Registrar pursuant to Section 185(4) of the ABCA giving effect to the Amalgamation;

"**Circular**" means the notice of special meeting and management proxy circular of Osum dated April 6, 2021 in respect of the Meeting;

"**Commissioner**" means the Commissioner of Competition;

"**Competition Act**" means the *Competition Act* (Canada);

**"Competition Act Clearance"** means, with respect to the Amalgamation, either: (a) the Commissioner has issued an ARC, which ARC shall not have been rescinded or amended; or (b) (i) any applicable waiting period, including any extension of a waiting period, under Section 123 of the Competition Act shall have expired or been terminated, or the requirement to submit a notification shall have been waived under paragraph 113(c) of the Competition Act, and (ii) unless waived by the Amalgamating Corporations, the Amalgamating Corporations shall have received a No-Action Letter without any condition or on conditions that are acceptable to the Amalgamating Corporations, in their reasonable judgment, which No-Action Letter shall not have been rescinded or amended;

**"Date of Redemption"** means the Effective Date;

**"Depository"** means Kingsdale Partners LP, operating as Kingsdale Advisors;

**"Dissenting Shareholder"** means a registered Osum Shareholder who, in connection with the Amalgamation Resolution, has validly exercised the right to dissent pursuant to Section 191 of the ABCA in strict compliance with the provisions thereof and who has not withdrawn the notice of the exercise of such right as provided in Section 191 of the ABCA, and in respect of which Osum has not rescinded the resolution to approve and adopt this Agreement and the Amalgamation;

**"Effective Date"** means the date shown on the Certificate of Amalgamation;

**"Effective Time"** means the time on the Effective Date at which the Amalgamation becomes effective;

**"fair value"**, where used in relation to a Osum Share held by a Dissenting Shareholder, means fair value as determined by the Court (as defined in the ABCA) under Section 191 of the ABCA or as agreed between Osum (or its successor) and the Dissenting Shareholder;

**"Letter of Transmittal"** has the meaning ascribed to it in the Circular;

**"Meeting"** means the special meeting (and any adjournments or postponements thereof) of Osum Shareholders to be held on April 30, 2021 to consider the Amalgamation Resolution;

**"No-Action Letter"** means a letter from the Commissioner advising the parties in writing that he does not, at that time, intend to challenge the transaction by making an application to the Competition Tribunal under Section 92 of the Competition Act;

**"Osum"** has the meaning ascribed to it in the Preamble;

**"Osum Shareholder"** means a holder of Osum Shares;

**"Osum Shares"** means the issued and outstanding common shares in the capital of Osum;

**"Parties"** and **"Party"** have the respective meanings ascribed to them in the Preamble;

**"Person"** includes an individual, a corporation, a partnership, a trust, a fund and an association, a syndication, organization or other organized group of persons, whether incorporated or not, and an individual or other person in that person's capacity as trustee, executor, administrator or personal or other legal representative;

**"Redemption Consideration"** means the consideration payable upon the immediate redemption of the Amalco Redeemable Preferred Shares, being \$3.00 per Amalco Redeemable Preferred Share in cash;

**"Registrar"** means the Registrar appointed under the ABCA;

**"Tax Act"** means the *Income Tax Act*, RSC 1985, c 1, (5<sup>th</sup> Suppl), as amended;

"WEF" has the meaning ascribed to it in the Preamble;

"WOAC" has the meaning ascribed to it in the Preamble; and

"WOAC Share" means a Common Share in the capital of WOAC.

Words and phrases used but not defined in this Agreement and defined in the ABCA shall have the same meaning in this Agreement as in the ABCA unless the context or subject matter otherwise requires.

## 2. Agreement to Amalgamate

The Amalgamating Corporations hereby agree to amalgamate and to continue as one corporation under the provisions of the ABCA as of the Effective Date, on the terms and conditions set out in this Agreement.

## 3. Name

The name of Amalco shall be Osum Oil Sands Corp.

## 4. Registered Office

The registered office of Amalco shall be located in the City of Calgary in the Province of Alberta at Suite 3500, 855 - 2 Street S.W., Calgary, Alberta T2P 4J8, until changed by the directors of Amalco in accordance with the ABCA.

## 5. Authorized Capital

The authorized share capital of Amalco shall consist of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which the first series shall be an unlimited number of Amalco Redeemable Preferred Shares. The rights, restrictions and conditions attached to these shares shall be as set out in the attached Schedule "A" hereto.

## 6. No Restrictions on Business

There shall be no restrictions on the business that Amalco may carry on or on the powers that Amalco may exercise.

## 7. Board of Directors

The board of directors of Amalco shall consist of a minimum of one (1) and a maximum of ten (10) directors. The first directors of Amalco shall be:

<u>Name</u>	<u>Address</u>	<u>Canadian Resident</u>
Adam Waterous	301 8 Avenue SW, Suite 600, Calgary, Alberta T2P 1C5	Yes
Michael Buckingham	1111 Bagby Street, Suite 2340, Houston, Texas 77002	No
Andrew Kim	301 8 Avenue SW, Suite 600, Calgary, Alberta T2P 1C5	Yes
Robert Morgan	421 7 Avenue SW, Suite 1900, Calgary, Alberta T2P 4K9	Yes

Such directors shall hold office until the next annual meeting of shareholders of Amalco or until their successors are elected or appointed.

## **8. By-laws**

The by-laws of Amalco, until repealed, amended or altered, shall be the by-laws as set out in the attached Schedule "C". This by-law shall come into effect upon the Amalgamation.

## **9. Amalgamation**

On the Effective Date:

- (a) each issued and outstanding Osum Share (other than those held by WOAC, WEF and any Dissenting Shareholders) shall be converted into one Amalco Redeemable Preferred Share (each of which will be redeemed for \$3.00 in cash immediately following the issuance of the Amalco Redeemable Preferred Shares at the Effective Time);
- (b) each issued and outstanding Osum Share held by WOAC shall be cancelled;
- (c) each issued and outstanding Osum Share held by WEF shall be converted into 0.999999 Amalco Common Share;
- (d) each issued and outstanding Common Share of WOAC shall be converted into 0.000001 Amalco Common Share; and
- (e) each issued and outstanding Osum Share held by each Dissenting Shareholder shall be cancelled and each Dissenting Shareholder shall become entitled to be paid by Amalco the fair value of such Osum Shares in accordance with the ABCA.

## **10. Stated Capital Accounts**

Subject to reduction to effect payments made to Dissenting Shareholders, the aggregate stated capital in respect of all the shares of Amalco shall be the aggregate of the "paid-up capital" (as defined in the Tax Act) in respect of all of the shares of the Amalgamating Corporations, less the paid-up capital in respect of the Osum Shares held by WOAC cancelled on the Amalgamation, and such aggregate stated capital shall be allocated to the stated capital account for the Amalco Redeemable Preferred Shares and the stated capital account for the Amalco Common Shares as follows:

- (a) for the Amalco Redeemable Preferred Shares, an amount equal to the number of Amalco Redeemable Preferred Shares issued on the Amalgamation multiplied by \$3.00; and
- (b) for the Amalco Common Shares, the balance of such aggregate stated capital.

The amount of stated capital attributable to the Amalco Common Shares shall be adjusted to reflect payments that may be made to Dissenting Shareholders.

## **11. Share Certificates**

- (a) On the Effective Date, the name of each registered Osum Shareholder shall be removed from the securities registers of Osum and replaced accordingly, and share certificates evidencing Osum Shares shall cease to represent any claim upon or interest in Osum other than the right of the Osum Shareholder to receive that which is provided for in Sections 9 and 14.

- (b) Upon the presentation and surrender for cancellation by each registered Osum Shareholder (other than WOAC, WEF and any Dissenting Shareholders) to the Depository of the certificate(s) which immediately prior to the Effective Time represented such Osum Shareholder's Osum Shares, together with a properly completed Letter of Transmittal and such other additional documents as the Depository may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor the applicable number of Amalco Redeemable Preferred Shares to which such Osum Shareholder is entitled in accordance with the terms of this Agreement, and the certificate representing the Osum Shares so surrendered shall forthwith be cancelled. In connection with such delivery and surrender, Osum Shareholders must follow the procedures described in the Circular and in the Letter of Transmittal.
- (c) No share certificates representing Amalco Redeemable Preferred Shares shall be issued to Shareholders upon completion of the Amalgamation. Certificates representing Osum Shares shall be deemed to represent Amalco Redeemable Preferred Shares received on Amalgamation.
- (d) Amalco shall cause the Depository, as soon as practicable following the later of the Effective Date and the date of deposit with the Depository of the documentation as provided in Section 11(e) below, to deliver the Redemption Consideration to be issued to the former holders of Osum Shares and the Amalco Common Shares to WOAC and WEF in accordance with the provisions hereof (net of any amounts required to be withheld pursuant to Section 16 or 18, as applicable).
- (e) If any Osum Shareholder fails for any reason to deliver to the Depository for cancellation the certificates formerly representing Osum Shares (or an affidavit of loss and bond or other indemnity pursuant to Section 15), together with such other documents or instruments required for such holder to receive the applicable consideration for the Osum Shares on or before the third anniversary of the Effective Date, such holder shall be deemed to have donated and forfeited to Amalco on such third anniversary any consideration (together with any dividends and distributions with respect thereto, but net of amounts required to be withheld pursuant to Section 16 or 18, as applicable) held by the Depository for such holder.

## **12. Effect of Amalgamation**

On the Effective Date:

- (a) the amalgamation of the Amalgamating Corporations and their continuance as one corporation shall become effective;
- (b) the property of each Amalgamating Corporation continues to be the property of Amalco;
- (c) Amalco continues to be liable for the obligations of each Amalgamating Corporation;
- (d) an existing cause of action, claim or liability to prosecution is unaffected;
- (e) a civil, criminal or administrative action or proceeding pending by or against an Amalgamating Corporation may be continued to be prosecuted by or against Amalco;
- (f) a conviction against, or ruling, order or judgment in favour of or against, an Amalgamating Corporation may be enforced by or against Amalco; and

- (g) the Articles of Amalgamation are deemed to be the articles of incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the certificate of incorporation of Amalco.

### **13. General Conditions Precedent**

The respective obligations of the Parties to consummate the transactions contemplated hereby, including the Amalgamation, are subject to the satisfaction, on or before the Effective Date, of the following conditions, any of which may be waived by the mutual consent of the Parties without prejudice to their right to rely on the other conditions:

- (a) this Agreement and the transactions contemplated hereby, including the Amalgamation, shall have been approved by the shareholders of each of the Amalgamating Corporations in accordance with the provisions of the ABCA and any other applicable regulatory requirements;
- (b) all consents, orders, approvals and authorizations, including the Competition Act Clearance and any other governmental or regulatory approvals, orders, rulings and exemptions, required or necessary for the consummation of the transactions contemplated hereby, including the Amalgamation, shall have been obtained on terms and conditions satisfactory to each of the Amalgamating Corporations, acting reasonably;
- (c) there shall not be in force any order or decree which would restrain or enjoin the consummation of the transactions contemplated by this Agreement, including the Amalgamation; and
- (d) each of the Amalgamating Corporations shall be satisfied that there are reasonable grounds for believing that at the Effective Time and after payment of the consideration pursuant to the Amalgamation:
  - (i) Amalco will be able to pay its liabilities as they become due;
  - (ii) the realizable value of Amalco's assets will not be less than the aggregate of its liabilities; and
  - (iii) no creditor will be prejudiced by the Amalgamation.

### **14. Dissenting Shareholders**

Osum Shares that are held by a Dissenting Shareholder shall not be converted into Amalco Redeemable Preferred Shares, and on the Effective Date, a Dissenting Shareholder shall, subject to the ABCA and provided that the Amalgamation is approved and effected in accordance with the ABCA, cease to have any rights as an Osum Shareholder other than the right to be paid the fair value of the Osum Shares by Amalco as determined in accordance with the ABCA. However, in the event that an Osum Shareholder fails to perfect or effectively withdraws that Osum Shareholder's claim under Section 191 of the ABCA or forfeits that Osum Shareholders' right to make a claim under Section 191 of the ABCA or that Osum Shareholder's rights as a shareholder are otherwise reinstated, each Osum Share held by that Osum Shareholder shall thereupon be deemed to have been converted as of the Effective Date into one Amalco Redeemable Preferred Share and redeemed on the Date of Redemption.

### **15. Lost Share Certificates**

In the event any certificate which immediately prior to the Effective Date represented Osum Shares shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depository will deliver in exchange for such lost, stolen or

destroyed certificate, the consideration to be issued to such Person in accordance with such Osum Shareholder's Letter of Transmittal. When authorizing such consideration, the Person to whom such consideration is to be issued shall as a condition precedent to the issuance of such consideration, give a bond satisfactory to Amalco and the Depositary (acting reasonably) in such sum as Amalco may direct, or otherwise indemnify Amalco in a manner satisfactory to Amalco, acting reasonably, against any claim that may be made against Amalco with respect to the certificate alleged to have been lost, stolen or destroyed.

## 16. Withholding Rights

Amalco (or any successor of Amalco) and/or the Depositary shall be entitled to deduct and withhold from any consideration otherwise payable to any Osum Shareholder pursuant to the Amalgamation or in connection with any related transaction, such amounts as Amalco or the Depositary is required or entitled to deduct and withhold with respect to such payment under the Tax Act or any provision of provincial, state, local or foreign tax law, in each case, as amended or succeeded and subject to the provisions of any applicable income tax treaty between Canada and the country where the holder is resident. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the Osum Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted in accordance with applicable law to the appropriate taxing authority.

## 17. Section 116 Clearance Certificates

- (a) Each former Osum Shareholder that is a Dissenting Shareholder or is entitled to receive the Redemption Consideration and who, for purposes of the Tax Act, is not resident or deemed to be resident in Canada or is a partnership that is not a "Canadian partnership" within the meaning of the Tax Act (a "**Non-Resident Holder**") may deliver or cause to be delivered to Osum, Amalco and the Depositary on or before the date of the Amalgamation, a certificate issued by the Minister of National Revenue under Section 116 of the Tax Act (a "**116 Certificate**") in respect of the disposition of its Osum Shares on the exercise of its dissent rights or the disposition of the Amalco Redeemable Preferred Shares received on the Amalgamation (the "**116 Shares**").
- (b) Osum or Amalco, as the case may be (for the purposes of this Section 17, the "**Purchaser**") shall be entitled to withhold, twenty-five percent (25%) of the aggregate Redemption Consideration payable to that Non-Resident Holder, or in the case of a Non-Resident Holder that is a Dissenting Shareholder, twenty-five percent (25%) of the fair value, for the 116 Shares (the "**116 Consideration**") from the amount payable to that Non-Resident Holder, such withheld cash amount to be held and remitted in accordance with the terms of this Section 17. Any amount withheld by the Purchaser from the 116 Consideration shall be paid or delivered by the Purchaser to the Depositary, on the condition that such cash amounts shall be held by the Depositary in trust for the benefit of the Non-Resident Holder in respect of which such amounts are withheld by the Purchaser for payment to such Non-Resident Holder or the Receiver General for Canada, as described in this Section 17.
- (c) Where the Purchaser has withheld any amount under this Section 17 and the Non-Resident Holder in respect of which such amounts were withheld and deposited, delivers to the Purchaser, a 116 Certificate, subject to this Section 17, the Depositary shall pay forthwith to the Receiver General for Canada, for the account of the Non-Resident Holder in accordance with Section 116 of the Tax Act, twenty-five percent (25%) of the amount, if any, by which the 116 Consideration exceeds the certificate limit fixed by the Minister of National Revenue in such certificate and pay or deliver forthwith to the Non-Resident Holder any remaining amount that the Purchaser has withheld and paid to the Depositary in respect of such 116 Shares.
- (d) Where the Purchaser has withheld any amount under this Section 17 and the Non-Resident Holder in respect of which such amounts were withheld does not deliver to the Purchaser, on or prior to the day that is 28 days after the end of the month which included the Effective



Date, a 116 Certificate, subject to this Section 17, the Depositary shall pay forthwith to the Receiver General for Canada, for the account of the Non-Resident Holder in accordance with Section 116 of the Tax Act, the amount the Purchaser has withheld and paid to the Depositary in respect of such 116 Shares.

- (e) Notwithstanding this Section 17, where the Purchaser has withheld any amount under this Section 17 and either a 116 Certificate with a certificate limit equal to or below the 116 Consideration is delivered to the Purchaser or no 116 Certificate has been delivered to the Purchaser, no amount shall be paid by the Purchaser to the Receiver General for Canada if the Non-Resident Holder delivers to the Purchaser, on or prior to the day that is 28 days after the end of the which included the Effective Date, a comfort letter or other evidence satisfactory to the Purchaser (acting reasonably) issued by the Canada Revenue Agency extending the time period under which the Purchaser shall remit an amount in respect of the 116 Consideration for the 116 Shares for the account of a Non-Resident Holder or providing that no such amounts need to be remitted until advised by the Canada Revenue Agency, in which case the funds held by the Depositary shall continue to be held in trust and the provisions of this Section 17 shall continue to apply as if the reference to the 28<sup>th</sup> day after the end of the month which included the Effective Date was instead a reference to the new date set or to be set by the Canada Revenue Agency as the date for the remittance of the withheld amounts.
- (f) In any event, the Depositary shall pay all or any portion of the amounts that it holds in trust for a Non-Resident Holder to the Receiver General for Canada if it has not received a 116 Certificate on or before the date that is one year after the Effective Date.
- (g) If requested by a Non-Resident Holder on account of which amounts are withheld or deposited under this Section 17, the Depositary shall pay all or any portion of the amounts that it holds in trust for such Non-Resident Holder to the Receiver General for Canada in lieu of the delivery of a 116 Certificate.

## **18. Representations and Warranties of WOAC**

WOAC represents and warrants to Osum that:

- (a) WOAC is a corporation validly existing under the laws of the Province of Alberta and has all necessary corporate or legal power, authority and capacity to own, lease or operate its property and assets and to carry on its business as it is currently owned and conducted;
- (b) WOAC has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by WOAC has been duly authorized by the board of directors of WOAC and the shareholders of WOAC have approved the adoption of this Agreement and the Amalgamation. This Agreement has been duly executed and delivered by WOAC and constitutes a legal, valid and binding obligation of WOAC, enforceable against WOAC in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles;
- (c) the execution of this Agreement does not, and the Amalgamation will not, result in a breach of or violate any term or provision of the articles or the by-laws of WOAC or of any agreement to which WOAC is a party and by which it is bound;
- (d) WOAC is authorized to issue an unlimited number of WOAC Shares, of which 60,035,151.99 WOAC Shares are issued and outstanding as of the date hereof, which are owned by WEF; and

- (e) WOAC, as the legal and beneficial owner of approximately 42.2% of the Osum Shares as of the date hereof, will take all steps necessary to cause such Osum Shares to be voted at the Meeting in favour of the Amalgamation Resolution;
- (f) as of the date hereof, there are reasonable grounds for believing that (i) Amalco will be able to pay its liabilities as they become due, (ii) the realizable value of Amalco's assets will not be, less than the aggregate of its liabilities and stated capital of all classes, and (iii) no creditor of WOAC will be prejudiced by the Amalgamation.

## **19. Representations and Warranties of Osum**

Osum represents and warrants to WOAC that:

- (a) Osum is a corporation validly existing under the laws of the Province of Alberta and has all necessary corporate or legal power, authority and capacity to own, lease or operate its property and assets and to carry on its business as it is currently owned and conducted;
- (b) Osum has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Osum has been duly authorized by the board of directors of Osum and no other corporate proceedings on the part of Osum are necessary to authorize this Agreement or the Amalgamation other than in connection with the approval of the Amalgamation Resolution by the Osum Shareholders at the Meeting. This Agreement has been duly executed and delivered by Osum and constitutes a legal, valid and binding obligation of Osum, enforceable against Osum in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles;
- (c) the execution of this Agreement does not, and the Amalgamation will not, result in a breach of or violate any term or provision of the articles or the by-laws of Osum or of any agreement to which Osum is a party and by which it is bound; and
- (d) Osum is authorized to issue an unlimited number of Osum Shares, of which 135,186,961 Osum Shares are issued and outstanding as of the date hereof.
- (e) as of the date hereof, there are reasonable grounds for believing that (i) Amalco will be able to pay its liabilities as they become due, (ii) the realizable value of Amalco's assets will not be, less than the aggregate of its liabilities and stated capital of all classes, and (iii) no creditor of Osum will be prejudiced by the Amalgamation.

## **20. Filing of Documents**

Upon the Osum Shareholders approving the Amalgamation and confirming, ratifying and approving this Agreement in accordance with the ABCA, and subject to the other provisions of this Agreement, the Amalgamating Corporations shall jointly file, or cause to be filed, with the Registrar the Articles of Amalgamation and such other documents as may be required pursuant to the ABCA in order to affect the Amalgamation. The articles of Amalco, until repealed, amended or altered, shall be in the form attached hereto as Schedule "B".

## **21. Amendment**

This Agreement may at any time and from time to time before or after the holding of the Meeting be amended by written agreement of the Parties without, subject to applicable law, further notice to or authorization on the part of their respective shareholders; provided that no such amendment shall change the provisions hereof regarding the consideration to be received by Osum Shareholders in exchange for

their Osum Shares without approval by the Osum Shareholders, given in the same manner as required for the approval of the Amalgamation.

**22. Termination**

This Agreement may, prior to the issuance of the Certificate of Amalgamation, be terminated by any Party, notwithstanding the approval of this Agreement by the Osum Shareholders and the shareholders of WOAC.

**23. Enurement**

This Agreement enures to the benefit of and is binding upon the Parties and their respective successors (including any successor by reason of amalgamation of any Party) and permitted assigns.

**24. Further Assurances**

Each of the Parties shall execute and deliver all other documents and do all acts or things as may be necessary or desirable to give effect to this Agreement. Without limiting the generality of the foregoing, Osum shall call and hold the Meeting for the purposes of Osum Shareholders considering and, if deemed appropriate, approving the Amalgamation and confirming, ratifying and approving this Agreement.

**25. Entire Agreement**

This Agreement, and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral, whether statutory or otherwise, between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

**26. Counterparts**

This Agreement may be executed by the Parties in counterparts and the counterparts may be executed and delivered by electronic means, with all counterparts together constituting one agreement.

**27. Governing Law**

This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta. The Parties irrevocably submit to the exclusive jurisdiction of the courts of the competent jurisdiction in the Province of Alberta in respect of any action or proceeding relating in any way to this Agreement or the subject matter hereof.

**28. Statutory References**

A reference to a statute includes all rules and Regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation or rule which amends, supplements or supersedes any such statute or any such regulation or rule.

***[Remainder of Page Intentionally Left Blank.]***

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the date first written above.

**WEF OSUM ACQUISITION CORP.**

By: (signed) "Adam Waterous"  
Name: Adam Waterous  
Title: Director

**OSUM OIL SANDS CORP.**

By: (signed) "Robert Morgan"  
Name: Robert Morgan  
Title: President and Chief Operating Officer

By: (signed) "Michael Makinson"  
Name: Michael Makinson  
Title: Chief Financial Officer

## SCHEDULE "A"

### RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS OF SHARE CAPITAL OF OSUM OIL SANDS CORP.

Osum Oil Sands Corp. (the "**Corporation**") is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series:

#### COMMON SHARES

The rights, privileges, restrictions and conditions attaching to the Common Shares shall be as follows:

1. **Voting**
  - 1.1 Holders of Common Shares shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Corporation, except meetings of holders of another class of shares. Each Common Share shall entitle the holder thereof to one vote.
2. **Dividends**
  - 2.1 Subject to the preferences accorded to holders of Preferred Shares and any other shares of the Corporation ranking senior to the Common Shares from time to time with respect to the payment of dividends, holders of Common Shares shall be entitled to receive, if, as and when declared by the Board of Directors, such dividends as may be declared thereon by the Board of Directors from time to time.
3. **Liquidation, Dissolution or Winding-Up**
  - 3.1 In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs (such event referred to herein as a "**Distribution**"), holders of Common Shares shall be entitled, subject to the preferences accorded to holders of Preferred Shares and any other shares of the Corporation ranking senior to the Common Shares from time to time with respect to payment on a Distribution, to share equally, share for share, in the remaining property of the Corporation.

#### PREFERRED SHARES

The rights, privileges, restrictions and conditions attaching to the Preferred Shares, as a class, shall be as follows:

1. **Issuance in Series**
  - 1.1 Subject to the filing of Articles of Amendment in accordance with the *Business Corporations Act* (Alberta) (the "**Act**"), the Board of Directors may at any time and from time to time issue the Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board of Directors.
  - 1.2 Subject to the filing of Articles of Amendment in accordance with the Act, the Board of Directors may from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares including, without limiting the generality of the foregoing, the amount, if any, specified as being payable preferentially to such series on a Distribution; the extent, if any, of further participation on a Distribution; voting rights, if any; and dividend rights (including whether such dividends be preferential, or cumulative or non-cumulative), if any.

## Series A Preferred Shares

The Corporation is authorized to issue an unlimited number of Series A Preferred Shares:

### 1. **Definitions**

With respect to the Series A Preferred Shares, the following terms shall have the meanings ascribed to them below:

"**Act**" means the *Business Corporations Act* (Alberta);

"**Amalgamation**" means the amalgamation of Osum and WOAC to form the Corporation;

"**Board**" means the board of directors of the Corporation;

"**Business Day**" means any day, other than a Saturday, a Sunday or a statutory holiday in the Province of Alberta;

"**Depository**" means Kingsdale Partners LP, operating as Kingsdale Advisors;

"**Letter of Transmittal**" means the letter of transmittal delivered to Shareholders in connection with the special meeting of Shareholders held on April 30, 2021;

"**Osum**" means Osum Oil Sands Corp.;

"**Osum Shares**" means the common shares in the capital of Osum issued and outstanding immediately prior to the Amalgamation;

"**Redemption Consideration**" means the consideration payable upon redemption of the Series A Preferred Shares, being \$3.00 in cash per Series A Preferred Share; and

"**Shareholder**" means a holder of Osum Shares immediately prior to the Amalgamation.

### 2. **No Voting Rights**

Except as otherwise expressly provided in the Act, the holders of the Series A Preferred Shares shall not be entitled to receive notice of, or to attend or to vote at, any meeting of the shareholders of the Corporation.

### 3. **Dividends**

The holders of the Series A Preferred Shares shall not be entitled to receive any dividends thereon.

### 4. **Redemption**

4.1 All of the Series A Preferred Shares issued in the Amalgamation shall automatically be redeemed, without any notice of redemption or other act or formality on the part of the Corporation or any other person, immediately after the Amalgamation becomes effective and such shares have been issued (the "**Time of Redemption**") in accordance with the provisions of this Section 4.

4.2 At the Time of Redemption, all Series A Preferred Shares held by Shareholders shall be redeemed and such Shareholders shall be entitled to receive Redemption Consideration in the amount of \$3.00 in cash per Series A Preferred Share held by such Shareholders.

4.3 As soon as practicable following the Time of Redemption and in any event within five business days of the Time of Redemption, the Corporation shall deliver or cause to be delivered to the

Depository, at its principal office in the City of Toronto, Ontario, the aggregate Redemption Consideration. Delivery of the aggregate Redemption Consideration in such a manner shall be a full and complete discharge of the Corporation's obligation to deliver the Redemption Consideration to the holders of Series A Preferred Shares.

- 4.4 From and after the Time of Redemption and subject to the receipt of the aggregate Redemption Consideration in the manner contemplated by paragraph 4.2 above:
- 4.4.1 the Depository shall pay and deliver or cause to be paid and delivered to the respective holders of the Series A Preferred Shares, on presentation and surrender at the principal office of the Depository in the City of Toronto, Ontario of the certificates representing the Osum Shares previously outstanding prior to the Amalgamation, the Redemption Consideration (after deduction for any applicable withholding taxes required by law or, for greater certainty, under section 116 of the *Income Tax Act* (Canada) (the "**Applicable Withholdings**")) payable and deliverable to such holders, respectively; and
- 4.4.2 the holders of Series A Preferred Shares shall not be entitled to exercise any of the rights of shareholders in respect thereof and shall be entitled only to receive the Redemption Consideration (after deduction for any Applicable Withholdings) therefor.
- 4.5 From the Time of Redemption, the Series A Preferred Shares in respect of which deposit of the Redemption Consideration (after deduction for any Applicable Withholdings) is made to the Depository shall be deemed to be redeemed and cancelled, the Corporation shall be fully and completely discharged from its obligations with respect to the payment of the Redemption Consideration (after deduction for any Applicable Withholdings) to such holders of Series A Preferred Shares, and the rights of such holders shall be limited to receiving Redemption Consideration (after deduction for any Applicable Withholdings) payable to them by the Depository on presentation and surrender of the certificates representing the Osum Shares that were previously outstanding and held by them prior to the Amalgamation. Subject to the requirements of law with respect to unclaimed property, if applicable, if the Redemption Consideration (after deduction for any Applicable Withholdings) has not been fully paid to holders Series A Preferred Shares in accordance with the provisions hereof on or before the last Business Day prior to the third anniversary of the Time of Redemption, the Redemption Consideration shall be forfeited to the Corporation (or any successor thereof) and holders of Series A Preferred Shares shall cease to have any further rights, claims or interests, of any kind or nature, in and to the Redemption Consideration.

## 5. **Liquidation**

In the event of the liquidation or winding-up of the Corporation or any other distribution of the property or assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to the extinguishment of the rights of holders of Series A Preferred Shares upon payment of the Redemption Consideration, the holders of Series A Preferred Shares shall be entitled to receive and the Corporation shall pay to such holders, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of common shares or any other class of shares ranking junior to the Series A Preferred Shares as to such entitlement, an amount equal to the Redemption Consideration for each Series A Preferred Share held by them respectively and no more. After payment to the holders of the Series A Preferred Shares of the amounts so payable to them as hereinbefore provided, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

**SCHEDULE "B"**

**ARTICLES OF AMALGAMATION**

(See attached.)



# Articles of Amalgamation

Business Corporations Act  
Sections 181 and 187

This information is collected, used, and may be publicly disclosed in accordance with s. 33(a,c), 39 (1)(a,c), and 40(1)(c,e,f) of the *Freedom of Information and Protection of Privacy Act*; the *Business Corporations Act*; and the *Common Business Number Act*. It is required for the purpose of issuing a certificate of amalgamation and assigning a Canada Revenue Agency business number to the amalgamated corporation. Questions can be directed to the Service Alberta Contact Centre at [cr@gov.ab.ca](mailto:cr@gov.ab.ca) or 780-427-7013 (toll-free 310-0000 within Alberta).

## 1. Name of Amalgamated Corporation

OSUM OIL SANDS CORP.

## 2. The classes of shares, and any maximum number of shares that the corporation is authorized to issue:

The annexed Schedule "A" is incorporated into and forms part of this form.

## 3. Restrictions on share transfers (if there are no restrictions, enter "NONE"):

The annexed Schedule "B" is incorporated into and forms part of this form.

## 4. Number, or minimum and maximum number of directors:

Minimum: One (1); Maximum: Ten (10).

## 5. If the corporation is restricted FROM carrying on a certain business or restricted TO carrying on a certain business, specify the restrictions (if there are no restrictions, enter "NONE"):

None.

## 6. Other rules or provisions (if there are no other rules or provisions, enter "NONE"):

The annexed Schedule "C" is incorporated into and forms part of this form.

## 7. Amalgamating Corporations

Name	Corporate Access Number	CRA Business Number
Osum Oil Sands Corp.	2013231531	832270078
WEF Osum Acquisition Corp.	2022980995	704113331

## 8. Authorized Signing Authority for the Corporation

\_\_\_\_\_  
Date  
  
Waterous, Adam  
\_\_\_\_\_  
Last Name, First Name, Middle Initial (optional)  
  
\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Signature  
  
Director  
\_\_\_\_\_  
Relationship to Corporation  
  
Not Applicable.  
\_\_\_\_\_  
Email

**SCHEDULE "A"**  
**TO THE ARTICLES OF AMALGAMATION**  
**OF**  
**OSUM OIL SANDS CORP.**  
(the "Corporation")

(share structure)

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series:

**COMMON SHARES**

The rights, privileges, restrictions and conditions attaching to the Common Shares shall be as follows:

**1. Voting**

1.1 Holders of Common Shares shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Corporation, except meetings of holders of another class of shares. Each Common Share shall entitle the holder thereof to one vote.

**2. Dividends**

2.1 Subject to the preferences accorded to holders of Preferred Shares and any other shares of the Corporation ranking senior to the Common Shares from time to time with respect to the payment of dividends, holders of Common Shares shall be entitled to receive, if, as and when declared by the Board of Directors, such dividends as may be declared thereon by the Board of Directors from time to time.

**3. Liquidation, Dissolution or Winding-Up**

3.1 In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs (such event referred to herein as a "**Distribution**"), holders of Common Shares shall be entitled, subject to the preferences accorded to holders of Preferred Shares and any other shares of the Corporation ranking senior to the Common Shares from time to time with respect to payment on a Distribution, to share equally, share for share, in the remaining property of the Corporation.

**PREFERRED SHARES**

The rights, privileges, restrictions and conditions attaching to the Preferred Shares, as a class, shall be as follows:

**1. Issuance in Series**

1.1 Subject to the filing of Articles of Amendment in accordance with the *Business Corporations Act* (Alberta) (the "**Act**"), the Board of Directors may at any time and from time to time issue the Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board of Directors.

1.2 Subject to the filing of Articles of Amendment in accordance with the Act, the Board of Directors may from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares including, without limiting the generality of the foregoing, the amount, if any, specified as being payable preferentially to such series on a

Distribution; the extent, if any, of further participation on a Distribution; voting rights, if any; and dividend rights (including whether such dividends be preferential, or cumulative or non- cumulative), if any.

**SHARES IN SERIES SCHEDULE  
OF  
OSUM OIL SANDS CORP.  
(the "Corporation")**

Series A Preferred Shares

The Corporation is authorized to issue an unlimited number of Series A Preferred Shares:

1. **Definitions**

With respect to the Series A Preferred Shares, the following terms shall have the meanings ascribed to them below:

"**Act**" means the *Business Corporations Act* (Alberta);

"**Amalgamation**" means the amalgamation of Osum and WOAC to form the Corporation;

"**Board**" means the board of directors of the Corporation;

"**Business Day**" means any day, other than a Saturday, a Sunday or a statutory holiday in the Province of Alberta;

"**Depository**" means Kingsdale Partners LP, operating as Kingsdale Advisors;

"**Letter of Transmittal**" means the letter of transmittal delivered to Shareholders in connection with the special meeting of Shareholders held on April 30, 2021;

"**Osum**" means Osum Oil Sands Corp.;

"**Osum Shares**" means the common shares in the capital of Osum issued and outstanding immediately prior to the Amalgamation;

"**Redemption Consideration**" means the consideration payable upon redemption of the Series A Preferred Shares, being \$3.00 in cash per Series A Preferred Share; and

"**Shareholder**" means a holder of Osum Shares immediately prior to the Amalgamation.

2. **No Voting Rights**

Except as otherwise expressly provided in the Act, the holders of the Series A Preferred Shares shall not be entitled to receive notice of, or to attend or to vote at, any meeting of the shareholders of the Corporation.

3. **Dividends**

The holders of the Series A Preferred Shares shall not be entitled to receive any dividends thereon.

4. **Redemption**

4.1 All of the Series A Preferred Shares issued in the Amalgamation shall automatically be redeemed, without any notice of redemption or other act or formality on the part of the Corporation or any other person, immediately after the Amalgamation becomes effective and such shares have been issued (the "**Time of Redemption**") in accordance with the provisions of this Section 4.

- 4.2 At the Time of Redemption, all Series A Preferred Shares held by Shareholders shall be redeemed and such Shareholders shall be entitled to receive Redemption Consideration in the amount of \$3.00 in cash per Series A Preferred Share held by such Shareholders.
- 4.3 As soon as practicable following the Time of Redemption and in any event within five business days of the Time of Redemption, the Corporation shall deliver or cause to be delivered to the Depository, at its principal office in the City of Toronto, Ontario, the aggregate Redemption Consideration. Delivery of the aggregate Redemption Consideration in such a manner shall be a full and complete discharge of the Corporation's obligation to deliver the Redemption Consideration to the holders of Series A Preferred Shares.
- 4.4 From and after the Time of Redemption and subject to the receipt of the aggregate Redemption Consideration in the manner contemplated by paragraph 4.2 above:
- 4.4.1 the Depository shall pay and deliver or cause to be paid and delivered to the respective holders of the Series A Preferred Shares, on presentation and surrender at the principal office of the Depository in the City of Toronto, Ontario of the certificates representing the Osum Shares previously outstanding prior to the Amalgamation, the Redemption Consideration (after deduction for any applicable withholding taxes required by law or, for greater certainty, under section 116 of the *Income Tax Act* (Canada) (the "**Applicable Withholdings**")) payable and deliverable to such holders, respectively; and
- 4.4.2 the holders of Series A Preferred Shares shall not be entitled to exercise any of the rights of shareholders in respect thereof and shall be entitled only to receive the Redemption Consideration (after deduction for any Applicable Withholdings) therefor.
- 4.5 From the Time of Redemption, the Series A Preferred Shares in respect of which deposit of the Redemption Consideration (after deduction for any Applicable Withholdings) is made to the Depository shall be deemed to be redeemed and cancelled, the Corporation shall be fully and completely discharged from its obligations with respect to the payment of the Redemption Consideration (after deduction for any Applicable Withholdings) to such holders of Series A Preferred Shares, and the rights of such holders shall be limited to receiving Redemption Consideration (after deduction for any Applicable Withholdings) payable to them by the Depository on presentation and surrender of the certificates representing the Osum Shares that were previously outstanding and held by them prior to the Amalgamation. Subject to the requirements of law with respect to unclaimed property, if applicable, if the Redemption Consideration (after deduction for any Applicable Withholdings) has not been fully paid to holders Series A Preferred Shares in accordance with the provisions hereof on or before the last Business Day prior to the third anniversary of the Time of Redemption, the Redemption Consideration shall be forfeited to the Corporation (or any successor thereof) and holders of Series A Preferred Shares shall cease to have any further rights, claims or interests, of any kind or nature, in and to the Redemption Consideration.

## 5. **Liquidation**

In the event of the liquidation or winding-up of the Corporation or any other distribution of the property or assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to the extinguishment of the rights of holders of Series A Preferred Shares upon payment of the Redemption Consideration, the holders of Series A Preferred Shares shall be entitled to receive and the Corporation shall pay to such holders, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of common shares or any other class of shares ranking junior to the Series A Preferred Shares as to such entitlement, an amount equal to the Redemption Consideration for each Series A Preferred Share held by them respectively and no more. After payment to the holders of the Series A Preferred Shares of the amounts so payable to them as hereinbefore provided, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

**SCHEDULE "B"**  
**TO THE ARTICLES OF AMALGAMATION**  
**OF**  
**OSUM OIL SANDS CORP.**  
**(the "Corporation")**

(restrictions on share transfers)

The right to transfer securities of the Corporation will be restricted such that no securities of the Corporation, other than non-convertible debt securities, shall be transferred without the consent of either:

- (i) a majority of the directors of the Corporation expressed by a resolution passed at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors;  
or
- (ii) the holders of a majority of the outstanding shares of the Corporation entitling the holders thereof to vote in all circumstances (other than a separate class vote of the holders of another class of shares in the corporation) expressed by a resolution passed at a meeting of such shareholders or by an instrument or instruments in writing signed by the holders of a majority of such shares.

**SCHEDULE "C"**  
**TO THE ARTICLES OF AMALGAMATION**  
**OF**  
**OSUM OIL SANDS CORP.**  
**(the "Corporation")**

(other rules or provisions)

1. The number of holders of securities of the Corporation, other than non-convertible debt securities, not including employees and former employees of the Corporation or its affiliates, is limited to not more than fifty (50) persons, provided that each person is counted as one beneficial owner unless the person is created or used solely to purchase or hold securities of the Corporation, in which case each beneficial owner or each beneficiary of the person, as the case may be, must be counted as a separate beneficial owner.
2. Any invitation to the public to subscribe for the Corporation's securities is prohibited.
3. The directors of the Corporation may appoint one or more directors within the limits provided in the *Business Corporations Act* (Alberta).
4. The Corporation has a lien on every security registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation.
5. Shareholders meetings may be held anywhere inside or outside of Alberta that the directors determine by resolution from time to time.

**SCHEDULE "C"**

**BY-LAW NO. 1 OF OSUM OIL SANDS CORP.**

**BY-LAW NO. 1**

A By-Law relating generally to the transaction of the business and affairs of **Osum Oil Sands Corp.**

**CONTENTS**

<b>SECTION</b>	<b>SUBJECT</b>
One	Interpretation
Two	Business of the Corporation
Three	Directors
Four	Committees
Five	Protection of Directors and Officers
Six	Shares
Seven	Dividends
Eight	Meetings of Shareholders
Nine	Notices
Ten	Effective Date

IT IS HEREBY ENACTED as By-law No. 1 of **Osum Oil Sands Corp.** (hereinafter called the "**Corporation**") as follows:

**SECTION 1  
INTERPRETATION**

**1.01 Definitions**

In the by-laws of the Corporation, unless the context otherwise requires:

"**Act**" means the *Business Corporations Act* (Alberta), and any statute that may be substituted therefor, as from time to time amended;

"**appoint**" includes "elect" and vice versa;

"**articles**" means the articles attached to the Certificate of Incorporation of the Corporation as from time to time amended or restated;



**"board"** means the board of directors of the Corporation;

**"by-laws"** means this by-law and all other by-laws of the Corporation from time to time in force and effect;

**"meeting of shareholders"** means any meeting of shareholders, including any meeting of one or more classes or series of shareholders;

**"recorded address"** means, in the case of a shareholder, his address as recorded in the securities register; in the case of joint shareholders, the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and, in the case of a director, officer, auditor or member of a committee of the board, his latest address as recorded in the records of the Corporation; and

**"signing officer"** means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by Section 2.03 or by a resolution passed pursuant thereto.

Save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; and words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

#### **1.02 Conflict with the Act, the Articles or any Unanimous Shareholder Agreement**

To the extent of any conflict between the provisions of the by-laws and the provisions of the Act, the articles or any unanimous shareholder agreement relating to the Corporation, the provisions of the Act, the articles or the unanimous shareholder agreement shall govern.

#### **1.03 Headings and Sections**

The headings used throughout the by-laws are inserted for convenience of reference only and are not to be used as an aid in the interpretation of the by-laws. "Section" followed by a number means or refers to the specified section of this by-law.

#### **1.04 Invalidity of any Provision of By-laws**

The invalidity or unenforceability of any provision of the by-laws shall not affect the validity or enforceability of the remaining provisions of the by-laws.

### **SECTION 2 BUSINESS OF THE CORPORATION**

#### **2.01 Corporate Seal**

The corporate seal of the Corporation, if any, shall be in such form as the board may from time to time by resolution approve.

#### **2.02 Financial Year**

The financial year of the Corporation shall end on such date in each year as the board may from time to time by resolution determine.

### **2.03 Execution of Instruments**

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by one person whom holds the office of chair of the board, president, vice-president, secretary, treasurer, assistant secretary, assistant treasurer or director or any other office created by by-law or by resolution of the board. In addition, the board may from time to time direct the manner in which and the person or persons by whom any instrument or instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same.

### **2.04 Banking Arrangements**

The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or other persons as may from time to time be authorized by the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe or authorize.

### **2.05 Voting Rights in Other Bodies Corporate**

The signing officers may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the persons executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the board or, failing the board, the signing officers may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

### **2.06 Insider Trading Reports and Other Filings**

Any one officer or director of the Corporation may execute and file on behalf of the Corporation insider trading reports and other filings of any nature whatsoever required under applicable corporate or securities laws.

### **2.07 Divisions**

The board may from time to time cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions upon such basis, including without limitation, types of business or operations, geographical territories, product lines or goods or services, as the board may consider appropriate in each case. From time to time the board may authorize upon such basis as may be considered appropriate in each case:

- (a) the designation of any such division by, and the carrying on of the business and operations of any such division under, a name other than the name of the Corporation; provided that the Corporation shall set out its name in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the Corporation; and
- (b) the appointment of officers for any such division and the determination of their powers and duties, provided that any such officers shall not, as such, be officers of the Corporation.

## **SECTION 3 DIRECTORS**

### **3.01 Number of Directors**

If the articles provide for a maximum number and a minimum number of directors, unless otherwise provided in the articles, the number of directors of the Corporation shall be determined from time to time by ordinary resolution of the shareholders or, in the absence of such resolution, by resolution of the directors.

### **3.02 Calling and Notice of Meetings**

Meetings of the board shall be called and held at such time and at such place as the board, the chair of the board, the president or any two directors may determine, and the secretary or any other officer shall give notice of meetings when directed or authorized by such persons. Notice of each meeting of the board shall be given to each director not less than forty-eight hours before the time when the meeting is to be held, provided that, if a quorum of directors is present, the board may without notice hold a meeting immediately following an annual meeting of shareholders. Notice of a meeting of the board may be given verbally, in writing or by telephone, electronic transmission or any other means of communication. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting, except where required by the Act. Notwithstanding the foregoing, the board may from time to time fix a day or days in any month or months for regular meetings of the board at a place and hour to be named, in which case, provided that a copy of any such resolution is sent to each director forthwith after being passed and forthwith after each director's appointment, no other notice shall be required for any such regular meeting except where the Act requires specification of the purpose or the business to be transacted thereat.

### **3.03 Place of Meetings**

Meetings of the board may be held at any place in or outside Alberta. A director who attends a meeting of directors, in person or by telephone, is deemed to have consented to the location of the meeting except when he attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

### **3.04 Meetings by Telephone**

With the consent of the chair of the meeting or a majority of the directors present at the meeting, a director may participate in a meeting of the board or of a committee of the board by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other. A director participating in such a meeting in such manner shall be considered present at the meeting and at the place of the meeting.

### **3.05 Quorum**

The quorum for the transaction of business at any meeting of the board shall consist of a majority of directors or such greater or lesser number of directors as the board may from time to time determine, provided that, if the board consists of only one director, the quorum for the transaction of business at any meeting of the board shall consist of one director.

### **3.06 Chair**

The chair of any meeting of the board shall be the director present and willing to so act at the meeting who is the first mentioned of the following officers as have been appointed: chair of the board, president or a vice-president (in order of seniority). If no such officer is present and willing to act, the directors present shall choose one of their number to be chair.

### **3.07 Action by the Board**

At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting shall not be entitled to a second or casting vote. The powers of the board may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all the directors who would be entitled to vote on that resolution at a meeting of the board. Resolutions in writing may be signed in counterparts.

### **3.08 Adjourned Meeting**

Any meeting of directors may be adjourned from time to time by the chair of the meeting, with the consent of the meeting, to a fixed time and place. The adjourned meeting shall be duly constituted if a quorum is present and if it is held in accordance with the terms of the adjournment. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

### **3.09 Remuneration and Expenses**

The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for reasonable travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

### **3.10 Officers**

The board from time to time may appoint one or more officers of the Corporation and, without prejudice to rights under any employment contract, may remove any officer of the Corporation. The powers and duties of each officer of the Corporation shall be those determined from time to time by the board and, in the absence of such determination, shall be those usually incidental to the office held.

### **3.11 Agents and Attorneys**

The board shall have the power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

## **SECTION 4 COMMITTEES**

### **4.01 Transaction of Business**

The powers of any committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. At all meetings of committees every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting shall not be entitled to a second or casting vote. Resolutions in writing may be signed in counterparts.

### **4.02 Procedure**

Unless otherwise determined by the board, a quorum for meetings of any committee shall be a majority of its members, each committee shall have the power to appoint its chair and the rules for calling, holding, conducting and adjourning meetings of the committee shall be the same as those governing the board. Each member of a committee shall serve during the pleasure of the board of directors and, in any

event, only so long as he shall be a director. The directors may fill vacancies in a committee by appointment from among their members. Provided that a quorum is maintained, the committee may continue to exercise its powers notwithstanding any vacancy among its members.

## **SECTION 5 PROTECTION OF DIRECTORS AND OFFICERS**

### **5.01 Limitation of Liability**

No director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation including any person, firm or corporation with whom or with which any moneys, securities or effects shall be lodged or deposited, or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets of or belonging to the Corporation or for any other loss, damage or misfortune whatsoever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly, in good faith and with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

### **5.02 Indemnity**

The Corporation shall, to the maximum extent permitted under the Act, indemnify a director or officer, a former director or officer, and a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, including (without limitation) any such action by or on behalf of the Corporation or such body corporate to procure a judgment in its favour, and the Corporation shall use its reasonable best efforts to obtain any approval or approvals necessary for such indemnification.

## **SECTION 6 SHARES**

### **6.01 Non-Recognition of Trusts**

Subject to the provisions of the Act, the Corporation may treat as the absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the share certificate.

### **6.02 Joint Shareholders**

If two or more persons are registered as joint holders of any share:

- (a) the Corporation shall record only one address on its books for such joint holders;
- (b) the address of such joint holders for all purposes with respect to the Corporation shall be their recorded address; and

- (c) any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

### **6.03 Lien for Indebtedness**

If the articles provide that the Corporation has a lien on any shares registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation, such lien may be enforced, subject to the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

## **SECTION 7 DIVIDENDS**

### **7.01 Dividend Cheques**

A dividend payable in cash shall be paid by cheque of the Corporation or of any dividend paying agent appointed by the board, to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs and the Corporation agrees to follow such direction. In the case of joint holders the cheque shall, unless such joint holders otherwise direct and the Corporation agrees to follow such direction, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

### **7.02 Non-receipt of Cheques**

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

### **7.03 Unclaimed Dividends**

Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

## **SECTION 8 MEETINGS OF SHAREHOLDERS**

### **8.01 Chair, Secretary and Scrutineers**

The chair of any meeting of shareholders, who need not be a shareholder of the Corporation, shall be the first mentioned of the following officers as has been appointed and is present and is willing to so act at the meeting: chair of the board, president or a vice-president (in order of seniority). If no such officer is present and willing to act as chair within fifteen minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chair. The chair shall conduct the proceedings at the meeting in all respects and his decision in any matter or thing, including, but without in any way limiting the generality of the foregoing, any question regarding the validity or invalidity of any instruments of proxy and any question as to the admission or rejection of a vote, shall be conclusive and binding upon the shareholders. The secretary of any meeting of shareholders shall be the secretary of the Corporation, provided that, if the Corporation does not have a secretary or if the secretary of the Corporation

is absent, the chair shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. The board may from time to time appoint in advance of any meeting of shareholders one or more persons to act as scrutineers at such meeting and, in the absence of such appointment, the chair may appoint one or more persons to act as scrutineers at any meeting of shareholders. Scrutineers so appointed may, but need not be, shareholders, directors, officers or employees of the Corporation.

#### **8.02 Persons Entitled to be Present**

The only persons entitled to be present at a meeting of shareholders shall be:

- (a) those entitled to vote at such meeting;
- (b) the directors and auditors of the Corporation;
- (c) others who, although not entitled to vote, are entitled or required under any provision of the Act, the articles or the by-laws to be present at the meeting;
- (d) legal counsel to the Corporation when invited by the Corporation to attend the meeting; and
- (e) any other person on the invitation of the chair or with the consent of the meeting.

#### **8.03 Quorum**

A quorum for the transaction of business at any meeting of shareholders shall be one person present in person, being a shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent shareholder so entitled, and representing in the aggregate not less than 51% of the outstanding shares of the Corporation carrying voting rights at the meeting, provided that, if there should be only one shareholder of the Corporation entitled to vote at any meeting of shareholders, the quorum for the transaction of business at a meeting of shareholders shall consist of the one shareholder.

#### **8.04 Representatives**

The authority of an individual to represent a body corporate or association at a meeting of shareholders of the Corporation shall be established by depositing with the Corporation a certified copy of the resolution of the directors or governing body of the body corporate or association, as the case may be, granting such authority, or in such other manner as may be satisfactory to the chair of the meeting.

#### **8.05 Action by Shareholders**

The shareholders shall act by ordinary resolution unless otherwise required by the Act, articles, by-laws or any unanimous shareholders agreement. In case of an equality of votes either upon a show of hands or upon a poll, the chair of the meeting shall not be entitled to a second or casting vote.

#### **8.06 Show of Hands**

Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is required or demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

**8.07 Ballots**

A ballot required or demanded shall be taken in such manner as the chair shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

**8.08 Meetings by Telephone**

With the consent of the chair of the meeting or the consent (as evidenced by a resolution) of the persons present and entitled to vote at the meeting, a shareholder or any other person entitled to attend a meeting of shareholders may participate in the meeting by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other, and a person participating in such a meeting by those means shall be considered present at the meeting and at the place of the meeting.

**SECTION 9  
NOTICES**

**9.01 Omissions and Errors**

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

**9.02 Persons Entitled by Death or Operation of Law**

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

**SECTION 10  
EFFECTIVE DATE**

**10.01 Effective Date**

This by-law shall come into force when made by the board in accordance with the Act.

MADE by the board as evidenced by the signature of the following director, effective the \_\_\_\_ day of April, 2021.

---

**Adam R. Waterous**



CONFIRMED by the shareholders as evidenced by the signature of the following shareholder, effective the \_\_\_\_ day of April, 2021.

**Waterous Energy Fund (Canadian) LP, by its  
General Partner, WEF GP (Canadian) Corp.**

Per: \_\_\_\_\_  
**Authorized Signatory**