

## TRANSITION SERVICES AGREEMENT

South Ferrier and Strachan Area

THIS TRANSITION SERVICES AGREEMENT made effective as of August 29, 2024.

BETWEEN:

**[Redacted - Vendor]** ("Vendor")

- and -

**FIDDLEHEAD RESOURCES CORP.**, a corporation registered to carry on business in the Province of Alberta and having an office in the City of Calgary, in the Province of Alberta ("**Purchaser**")

**WHEREAS:**

- A. Vendor and Purchaser are parties to an Asset Sale Agreement – South Ferrier, Strachan Area, Alberta dated May 28, 2024 and a Side letter dated August 27, 2024 (together, the "**ASA**"), which has closed as of the Closing Date, under which beneficial interest in the Assets has transferred to Purchaser;
- B. Pursuant to Article 7.03 of the ASA, notwithstanding the occurrence of Closing, Vendor will continue to be the designated representative, registered owner, and licensee with respect to the Assets, and shall retain physical control of, and responsibility for administration and operation of, the Assets for all periods of time following Closing and prior to LTA Completion (or the unwinding of the Transaction under ASA Clause 3.10) (the "**Interim Period**") in accordance with the trust provisions in ASA Clause 7.05 (and other provisions incorporated therein) and the terms of the Contract Operating Agreement and this Transition Services Agreement (the "**Agreement**"); and
- C. Vendor has agreed to provide certain Transition Services (as defined below) to Purchaser pursuant to this Agreement.

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

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the ASA. In addition, in this Agreement, including the recitals and the Schedules hereto, the following terms have the following meanings:

- (a) "**Agreement**" means and refers to this agreement entitled "Transition Services Agreement", including the recitals hereto and all Schedules attached hereto, all as amended, supplemented or modified from time to time in accordance with the provisions hereof;
- (b) "**Gross Negligence or Wilful Misconduct**" means:

- (i) a marked and flagrant departure from the standard of conduct of a reasonable person acting in the circumstances at the time of the alleged misconduct; or
- (ii) such wanton and reckless conduct or omissions as constitutes in effect an utter disregard for harmful, foreseeable and avoidable consequences;

provided that a Party and its Representatives shall not be considered to have engaged in Gross Negligence or Wilful Misconduct if the actions or omissions of such Party or its Representatives were in accordance with instructions received from or written approval of the other Party or any of its Representatives;

- (c) "**Party**" means a party to this Agreement and "**Parties**" means all such parties;
- (d) "**Reimbursable Costs**" means all actual out-of-pocket costs and expenses paid to any Third Party by Vendor in relation to the provision of Transition Services;
- (e) "**Transition Services**" means those services set out in Schedule "A" as of the date of this Agreement;
- (f) "**Transition Services Personnel**" has the meaning set forth in Clause 2.3;
- (g) "**Transition Services Personnel Group**" has the meaning set forth in Clause 5.1(a); and
- (h) "**Transition Services Fee**" means the compensation (excluding Reimbursable Costs) payable by Purchaser to Vendor in consideration for the provision of the Transition Services, as set forth in Schedule "B".

## 1.2 References and Interpretation

Unless otherwise stated or the context otherwise requires:

- (a) words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders;
- (b) the division of this Agreement into Clauses and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement;
- (c) the references "hereunder", "herein, and "hereof" refer to the provisions of this Agreement, and references to "Article", "Clause", "Section", "Paragraph" or "Subparagraph" herein refer to the specified Article, Clause, Section, Paragraph or Subparagraph of this Agreement;
- (d) a capitalized derivative of a defined term will have a corresponding meaning;
- (e) whenever there occurs a word of general application or of a general class which is stated to "include" a word or an enumerated list of words with a particular or specific meaning, such particular or specific word or enumerated list of words of particular or specific meaning shall not be interpreted so as to be an exhaustive list of those matters or things falling within the word or general application or of a general class;
- (f) any reference in this Agreement to a Regulation or any governmental consent, approval, permit or other authorization shall be deemed to refer to such Regulation or such

governmental consent, approval, permit or other authorization as it has been amended, supplemented, re-enacted, varied, or otherwise modified or replaced from time to time up to the applicable time;

- (g) any reference in this Agreement to another contract, agreement, instrument or other document shall be deemed to refer to such contract, agreement, instrument or other document as it has been amended, modified, replaced or supplemented from time to time up to the applicable time;
- (h) unless otherwise specifically provided herein, all references herein to dollars are references to currency of Canada unless otherwise specified in this Agreement;
- (i) all documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict to the extent of the conflict. Further, in the event of a conflict between the terms of this Agreement and the ASA, the ASA shall govern and prevail;
- (j) all accounting terms used herein and not expressly defined herein shall have the meanings given to them under GAAP; and
- (k) any reference to days refers to calendar days unless the reference is to Business Days, and if the phrase "within", "at least", "prior to", or "not later than" is used with reference to a specific number of days or Business Days, the day of receipt of the relevant notice will be excluded and the day of the relevant response or event will be included in determining the relevant time period. However, if the time for doing any act expires on a day that is not a Business Day, the time for doing that act will be extended to the next Business Day.

### **1.3 Schedules**

The following Schedules are attached to and incorporated by reference in this Agreement:

- (a) Schedule "A" – Transition Services and Interim Period
- (b) Schedule "B" – Compensation

## **ARTICLE 2 TRANSITION SERVICES**

### **2.1 Supply of Transition Services**

During the Interim Period and subject to the terms herein contained, Vendor agrees to provide the Transition Services as and when required during Vendor's normal business hours, or such other times as may be applicable in the circumstances having regard to the nature of the particular Transition Service and how and when the activities to which such Transition Service relates have been undertaken by Vendor prior to the date hereof. The provision of the Transition Services shall be deemed to have commenced effective 8:00 a.m. on the first (1st) day of the Interim Period.

### **2.2 No Authority**

Except as specified in this Agreement, nothing herein shall grant either Party the right, power or authority to create any obligations or commitments or incur any liabilities or debts, express or implied, on behalf of the other Party.

### **2.3 Performance by Affiliates, Contractors and Subcontractors**

Vendor may provide any or all of the Transition Services using its own personnel or the personnel of Affiliates or through its contractors or subcontractors and their respective personnel (the "**Transition Services Personnel**"), provided that use of any Transition Services Personnel shall not relieve Vendor of any of its obligations under this Agreement in respect of the Transition Services provided by any Transition Services Personnel and Purchaser shall at all times look to and deal exclusively with Vendor in respect of payment for or the performance of the Transition Services, and Vendor shall, to the extent of its liability pursuant to Clause 5.2 hereof, be liable hereunder for any act or omission of any Transition Services Personnel as if such act or omission were an act or omission of Vendor.

### **2.4 Performance of Transition Services**

- (a) Vendor shall use reasonable commercial efforts to ensure that the Transition Services are carried out by Transition Services Personnel that are appropriately qualified and competent personnel, contractors and subcontractors.
- (b) Vendor will not be required to devote Transition Services Personnel in excess of those providing similar service in respect of or similar to the Transition Services immediately prior to the date hereof, nor shall Vendor be required to hire or maintain any Transition Services Personnel during the term of this Agreement.
- (c) Notwithstanding anything to the contrary contained in this Agreement, in no event shall Vendor be required to provide any Transition Service in breach of any Regulations or in any way that may be detrimental to Vendor.

### **2.5 Access**

After the Interim Period, Vendor and Purchaser shall cooperate in providing for an orderly transition of such Transition Services to Purchaser or a successor service provider, including the obligations of Purchaser to make arrangements for all required system conversions and associated data transfers.

### **2.6 Purchaser Obligations**

- (a) During the Interim Period, Purchaser will:
  - (i) notify Vendor of any material facts or information to which Purchaser is or becomes aware, which is in relation to and which affects the performance of the obligations, covenants or responsibility of Vendor pursuant to this Agreement, including any actual, pending or, to the extent known, threatened Claim by or against Purchaser;
  - (ii) use its reasonable efforts to respond to all Third Party notices and other correspondence provided by Vendor to Purchaser requiring an election, vote or approval by Vendor to a Third Party. Purchaser will make best efforts to respond with direction to Vendor no later than five (5) Business Days prior to the response deadline.

- (b) Purchaser shall not request, instruct, direct or require Vendor to provide or perform any Transition Service without first satisfying itself, acting reasonably, that such provision or performance would not be contrary to any Regulations.

## **2.7 Nature of Relationship**

- (a) In providing the Transition Services under this Agreement, Vendor shall be:
  - (i) for all purposes an independent contractor of Purchaser; and
  - (ii) responsible for, and shall direct and control the work and services of Transition Services Personnel providing Transition Services on behalf of Vendor.
- (b) Unless otherwise agreed by the Parties, in no circumstances shall the Transition Services Personnel providing Transition Services on behalf of Vendor be construed as employees of Purchaser, nor shall any personnel of Purchaser or any of its Affiliates, contractors or subcontractors be construed as employees of Vendor.
- (c) Vendor shall be responsible for the payment of all compensation benefits to be paid to or for the benefit of the Transition Services Personnel.
- (d) Nothing in this Agreement shall be construed as creating a partnership, joint venture or association of any kind or as imposing upon any Party, or its Affiliates, any partnership or joint venture duty, obligation or liability.

## **ARTICLE 3 ACTIVITIES OF VENDOR**

### **3.1 Standard of Care**

- (a) Subject to Clause 2.4, Vendor shall provide the Transition Services, or shall cause the Transition Services to be provided in accordance with the Regulations and the past practices of Vendor prior to the date hereof.
- (b) Vendor shall not be required to advance money, funds or credit for or on behalf of Purchaser in connection with the performance and discharge of the Transition Services, but if Vendor elects to advance money or funds for or on behalf of Purchaser in connection with the performance and discharge of the Transition Services, Purchaser shall promptly reimburse Vendor for such money or funds. Vendor shall have no liability for any failure to perform any Transition Services to the extent attributable to any failure by Purchaser to provide any money, funds or credit required for the performance and discharge of the Transition Services in a timely manner.
- (c) Vendor shall be entitled, on providing thirty (30) days' advance written notice to Purchaser, to require Purchaser to advance all or any portion of the Reimbursable Costs that Vendor reasonably anticipates will be incurred by Vendor in the provision of Transition Services (or any of them) in the calendar month following the date such written notice is given. Such written notice shall include an itemized written estimate of the Reimbursable Costs expected to be paid by Vendor in the relevant calendar month for which the advance funds are required. Purchaser shall pay all such Reimbursable Costs for which an advance is requested in

accordance with this Section 3.1(c) no later than the twentieth (20<sup>th</sup>) day after receipt of such estimate.

### **3.2 No Additional Duty**

Vendor shall only have the duties and obligations expressly provided for in this Agreement and no other obligation or duty (fiduciary or otherwise) shall be implied. No other duty or standard of care, other than as expressly set forth in this Agreement, shall apply or be implied in relation to the performance, by Vendor or any Transition Services Personnel, of the Transition Services or the other duties and obligations to be provided hereunder.

## **ARTICLE 4**

### **INVOICING AND PAYMENT OF REIMBURSABLE COSTS AND TRANSITION SERVICES FEES**

#### **4.1 Transition Services Fees**

In consideration for the provision of the Transition Services, Purchaser shall pay the Transition Services Fees to Vendor and reimburse Vendor for all Reimbursable Costs on the basis set out in Schedule "B".

#### **4.2 Invoicing and Payment**

- (a) During the Interim Period and thereafter as provided in this Clause 4.2, Vendor shall invoice Purchaser on or before the twentieth (20<sup>th</sup>) day of each month for all Reimbursable Costs and the Transition Services Fees relating to any Transition Services provided by Vendor during the preceding month.
- (b) Payment of the amount set out in any invoice issued to Purchaser pursuant to this Clause 4.2 shall be due on the thirtieth (30<sup>th</sup>) day following the delivery of such invoice.
- (c) The Vendor may, on a monthly basis, "net bill" accruing or accrued, payable or paid, receivable or received costs, expenses and revenues, in respect of the Assets. "Net Billing" is the arrangement whereby the Vendor pays costs and expenses attributable to the Assets on behalf of the Purchaser and sets-off such costs and expenses against revenues attributable to the Assets which the Vendor receives on behalf of the Purchaser. The monthly "net bill" will be trued-up upon issuance of the FSOA per clause 17.01(c) of the ASA.

#### **4.3 Right to Protest or Question Invoices**

- (a) Purchaser shall not withhold payment of any portion of an invoice presented by Vendor hereunder due to protest or question related to such invoice.
- (b) Subject to Clause 4.3(c), payment of any invoices shall not prejudice the right of Purchaser to protest or question the correctness thereof; provided that all invoices rendered to Purchaser during any calendar year shall be presumed to be true and correct after the date that is six (6) months following the end of the month for which such invoice was rendered, unless, before the end of the said six (6) months, Purchaser takes written exception thereto and makes claim on Vendor for an adjustment. In the event that any such claim is made on Vendor within such time period, Purchaser shall maintain all rights to pursue the subject matter of such claim pursuant to this Agreement or as otherwise may be provided at law or in equity.

- (c) If, within the period referred to in Clause 4.3(b), Purchaser or Vendor establishes that an error in the books, accounts and records relating to the matters contemplated hereby existing in such period also existed previous to the period, Vendor shall make the required adjustments retroactively either to the inception of the error or in a manner as approved by Purchaser. The adjustments shall be subject to Purchaser's right to audit.

#### 4.4 GST

Purchaser shall pay all GST exigible in respect of the provision of the Transition Services hereunder. Any amounts or rates specified in Schedule "B" in respect of any Transition Services are exclusive of any GST exigible in respect of the supply thereof. All such GST payable by Purchaser shall be shown as separate items in each invoice issued by Vendor hereunder.

#### 4.5 Late Payment

- (a) If Purchaser fails to pay any amount when it becomes due and payable to Vendor under this Agreement, then, in addition to its obligation to pay such unpaid amount in full, Purchaser shall also pay to Vendor interest on such unpaid amount at an annual rate equal to the Prime Rate plus five (5%) percent compounded annually from the date on which such unpaid amount first became due and payable, until the date on which such unpaid amount, together with such interest, is paid in full.
- (b) At any time after Vendor has given written notice to Purchaser demanding payment of any amount that was not paid when first due and payable under this Agreement, Vendor shall be free to take any action that it deems appropriate to collect such unpaid amount, together with all interest payable thereon as provided in Clause 4.5(a).

## ARTICLE 5 LIABILITY AND INDEMNIFICATION

#### 5.1 Liability and Indemnification

- (a) Neither Vendor, nor any of its Representatives, nor any Transition Services Personnel, nor any Affiliate, contractor or subcontractor that provides Transition Services Personnel ("**Transition Services Personnel Group**") shall be liable for, and Purchaser hereby releases the Transition Services Personnel Group, and each of them, from and against any Claims that may be made against Purchaser or any of its Representatives, or any Losses or Liabilities that Purchaser or any of its Representatives may now have or hereafter may have arising out of or otherwise relating to any act or omission of Vendor or any Transition Services Personnel in connection with the provision of the Transition Services, subject to Clause 5.3, except to the extent arising as a direct result of the Gross Negligence or Wilful Misconduct of Vendor or any Transition Services Personnel.
- (b) Purchaser shall:
  - (i) be liable to the Transition Services Personnel Group, and each of them, for; and
  - (ii) as a separate and independent covenant, indemnify and hold harmless the Transition Services Personnel Group, and each of them, from and against,

all Claims that may be made against any of them, or all Losses and Liabilities that any of them may suffer, sustain, pay or incur, arising out of or attributable to any act or omission of either Party in connection with Clause 2.4 or the provision of the Transition Services, but, subject to Clause 5.3, excluding any such Claims, Losses or Liabilities to the extent arising as a direct result of the Gross Negligence or Wilful Misconduct of Vendor or any Transition Services Personnel in the provision of the Transition Services.

## **5.2 Vendor Indemnity**

Subject to Clause 5.3, Vendor shall:

- (a) be liable to Purchaser and its Representatives for; and
- (b) as a separate and independent covenant, indemnify and hold harmless Purchaser and its Representatives from and against;

all Claims that may be made against any of them, or all Losses and Liabilities that any of them may suffer, sustain, pay or incur arising out of or attributable to any act or omission of Vendor or any Transition Services Personnel in connection with the provision of the Transition Services, but, in each case, only to the extent that any such Claims, Losses or Liabilities are the direct result of the Gross Negligence or Wilful Misconduct of Vendor or any Transition Services Personnel.

## **5.3 Exclusions**

Notwithstanding any other provision herein neither Party shall in any event be liable for, nor in any event shall be liable to indemnify and save harmless the other Party or any of its Representatives (including, for certainty, in the case of Vendor, the Transition Services Personnel Group) in respect of, or for, any indirect, consequential or punitive damages, indirect losses, business loss, economic loss, including loss of opportunity, or loss of profit suffered by the other Party or its Representatives or its successors and assigns, provided that this Clause 5.3 shall not preclude a Person entitled to indemnification hereunder, to the extent expressly provided in this Agreement, for such Person's liability to a Third Party, other than a Party's Representatives, for consequential or indirect damages or losses which such Third Party suffers, sustains, pays or incurs.

## **5.4 Net Amount**

In the event that a Party is obligated to indemnify and hold any Person harmless under this Article 5, the amount owing to such Person shall be the amount of Person's actual out-of-pocket loss, net of any insurance proceeds or other amount recovered from any other Person.

## **5.5 Third Party Beneficiaries**

Each of the Parties hereby acknowledges and agrees that the rights of indemnification provided for in this Article 5 shall not only be enforceable by the Parties hereto but shall be enforceable directly by, the Representatives of Purchaser and any member of the Transition Services Personnel Group and in this respect it is further acknowledged and agreed that:

- (a) Vendor is acting as agent and trustee for the Transition Services Personnel Group as regards the covenants of Purchaser pursuant to Clause 5.1, with respect to indemnification of Transition Services Personnel Group; and

- (b) Purchaser is acting as agent and trustee for its Representatives as regards the covenants of Vendor, pursuant to Clause 5.2, with respect to indemnification of the Representatives of Purchaser.

## **5.6 ASA Indemnities**

The indemnities and the exclusions and limitations of liability provided for in this Article 5 are independent of and in addition to, and not in replacement for or in substitution of, the indemnities and the exclusions and limitations of liability provided for in the ASA.

## **5.7 Survival**

The obligation to indemnify under this Article 5 will continue in full force and effect notwithstanding the expiration or termination of this Agreement, with respect to any Losses, based on events, conditions or circumstances which occurred or are attributable to the period prior to such expiration or termination.

# **ARTICLE 6 INTERIM PERIOD**

## **6.1 Term**

This Agreement shall be in effect during the Interim Period, subject to early termination in accordance with Clause 6.2.

## **6.2 Termination**

- (a) Purchaser shall not be entitled to terminate this Agreement or terminate any portion, category of or all of the Transition Services during the Interim Period.
- (b) In addition, this Agreement may be terminated prior to the ultimate expiration of the Interim Period:
  - (i) by mutual written agreement of the Parties; or
  - (ii) by Vendor, if Purchaser commits a breach of any of its payment obligations herein and such breach continues for a period of ten (10) days following a written request by Vendor to cure such breach;

## **6.3 Survival**

Any obligation of the Parties pursuant to the terms hereof which accrued prior to the termination or expiry of this Agreement shall survive the termination or expiry of this Agreement, including, for further certainty, all payment obligations of Purchaser in respect of amounts accrued to and in favour of Vendor hereunder.

# **ARTICLE 7 CONFIDENTIALITY**

## **7.1 Confidentiality**

All information disclosed by either Party, its Representatives and, in the case of Vendor, the Transition Services Personnel, to the other Party shall be subject to the Confidentiality Agreement and Article 16 of the ASA.

## **ARTICLE 8 MISCELLANEOUS PROVISIONS**

### **8.1 Partial Invalidity.**

If any provision of this Agreement is held to be invalid, illegal or unenforceable, the invalidity, illegality or unenforceability will not affect any other provision of this Agreement and this Agreement will be construed as if the invalid, illegal or unenforceable provision had never been contained herein unless the deletion of the provision would result in such material change to cause the completion of the transactions contemplated herein to be unreasonable.

### **8.2 Counterparts.**

This Agreement may be executed in counterparts and electronically.

### **8.3 Amendments and Waivers.**

No supplement, modification, waiver or termination of this Agreement will be binding unless executed in writing by the Party to be bound thereby. No waiver of any provision of this Agreement will be deemed or will constitute a waiver of any other provision hereof (whether or not similar) nor will a waiver constitute a continuing waiver unless otherwise expressly provided.

### **8.4 Assignment.**

Neither Party may assign this Agreement or any part thereof.

### **8.5 Entire Agreement.**

In addition to the applicable terms of the ASA, this Agreement (including all Exhibits and schedules hereto) is the entire agreement between the Parties regarding the subject matter hereof. If there is a conflict between the body of this Agreement and any of the Exhibits or schedules, this Agreement shall prevail. If there is a conflict between the ASA and this Agreement, the ASA shall prevail.

### **8.6 Governing Law.**

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and applicable laws of Canada and shall, in all respects, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of or in connection with this Agreement.

### **8.7 Time is of Essence.**

Time shall be of the essence in this Agreement.

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

*[Redacted – Vendor Signatory]*

**FIDDLEHEAD RESOURCES CORP.**

Per: (signed) "Brent Osmond"

Name: Brent Osmond

Title: Chief Executive Officer

**SCHEDULE "A"**  
**TRANSITION SERVICES AND INTERIM PERIOD**

1. The Interim Period is as defined in the recitals.
2. Unless otherwise agreed to, the Transition Services will include:

*[Redacted – Commercially Sensitive Information]*

**SCHEDULE "B" - COMPENSATION**

*[Redacted – Commercially Sensitive Information]*