

## ACQUISITION AGREEMENT

**THIS AGREEMENT** is made as of the 28<sup>th</sup> day of September, 2021

**BETWEEN:**

**INPLAY OIL CORP.**, a corporation existing under the laws of the Province of Alberta ("**InPlay**")

- and -

**PRAIRIE STORM RESOURCES CORP.**, a corporation existing under the laws of the Province of Alberta ("**Prairie Storm**")

**WHEREAS** InPlay proposes to acquire all of the issued and outstanding Prairie Storm Shares;

**AND WHEREAS** InPlay and Prairie Storm intend to carry out the transaction contemplated above by way of an arrangement under the ABCA on the terms and subject to the conditions set out in this Agreement;

**NOW THEREFORE**, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), InPlay and Prairie Storm hereby covenant and agree as follows.

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

Whenever used in this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following defined words and terms have the indicated meanings and grammatical variations of such words and terms have corresponding meanings:

- (a) "**ABCA**" means the *Business Corporations Act* (Alberta);
- (b) "**Acquisition**" means the arrangement pursuant to Section 193 of the ABCA, on the terms and subject to the conditions set out in the Plan of Arrangement;
- (c) "**Acquisition Proposal**" means any inquiry or the making of any proposal or offer to Prairie Storm or any of the Prairie Storm Shareholders or other securityholders of Prairie Storm (including any take-over bid initiated by advertisement or circular) by any Person, or group of Persons "acting jointly or in concert" (within the meaning of National Instrument 62-104 – *Take-Over Bids and Issuer Bids*), other than InPlay or any Person acting jointly or in concert with InPlay, whether or not subject to due diligence or other conditions and whether such proposal or offer is made orally or in writing, which constitutes, or may reasonably be expected to lead to (in either case, whether in one transaction or a series of transactions):
  - (i) any, direct or indirect, acquisition of securities of Prairie Storm that, when taken together with the securities of Prairie Storm held by the proposed acquirer, would constitute more than 20% of the voting equity securities of Prairie Storm;
  - (ii) any, direct or indirect, acquisition of the assets of Prairie Storm that constitutes 20% or more of the consolidated assets of Prairie Storm;

- (iii) an amalgamation, arrangement, merger, or consolidation involving Prairie Storm (and/or any subsidiary of Prairie Storm);
- (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution or similar transaction involving Prairie Storm and/or any subsidiary of Prairie Storm; or
- (v) any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Acquisition or which would or could reasonably be expected to materially reduce the benefits to InPlay under this Agreement or the Acquisition,

except that for the purpose of the definition of "**Superior Proposal**", the references in this definition of "Acquisition Proposal" to "20% or more of the voting equity securities of Prairie Storm" shall be deemed to be references to "50% or more of the voting equity securities of Prairie Storm", and the references to "20% of the assets of Prairie Storm" shall be deemed to be references to "all or substantially all of the assets of Prairie Storm";

- (d) "**Acquisition Resolution**" means, the special resolution in respect of the Acquisition to be considered by the Prairie Storm Shareholders at the Prairie Storm Meeting;
- (e) "**Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this Acquisition Agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;
- (f) "**Applicable Canadian Securities Laws**" means, collectively, and as the context may require, the securities legislation of each of the provinces and territories of Canada and the rules, regulations and policies published and/or promulgated thereunder, including the rules and policies of the TSX and the TSXV, in each case as such may be amended from time to time prior to the Effective Date;
- (g) "**Applicable Laws**" means, in any context that refers to one or more Persons, the Laws that apply to such Person or Persons or his/her/its/their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or his/hers/its/their business, undertaking, property or securities;
- (h) "**Articles of Arrangement**" means the articles of arrangement in respect of the Acquisition required under subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been granted, to give effect to the Acquisition;
- (i) "**Business Day**" means, with respect to any action to be taken, any day, other than a Saturday, Sunday, statutory holiday or other day when banks in the City of Calgary, Alberta are not generally open for business;
- (j) "**Cash Consideration**" means the cash consideration in the amount of \$0.2514 per Prairie Storm Share to be paid to the Prairie Storm Shareholders pursuant to the Plan of Arrangement;
- (k) "**Certificate**" means the certificate or other proof of filing issued by the Registrar pursuant to subsection 193(11) of the ABCA giving effect to the Plan of Arrangement;
- (l) "**Circular**" means the management information circular and proxy statement of Prairie Storm to be mailed to Prairie Storm Shareholders in connection with the Prairie Storm Meeting, together with any amendments or supplements thereto;

- (m) "**Claim**" means any claim, action, demand, lawsuit, proceeding, notice of non-compliance or violation, order or direction, arbitration or governmental investigation, in each case, whether asserted, threatened, pending or existing;
- (n) "**Confidentiality Agreements**" means, collectively, the confidentiality agreement between Prairie Storm and InPlay dated July 28, 2021 and the confidentiality agreement between Prairie Storm and InPlay dated May 4, 2021;
- (o) "**Consideration**" means, collectively, the Cash Consideration and the Equity Consideration;
- (p) "**Contract**" means contracts, licences, real property and equipment leases, instruments, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements or engagements to which Prairie Storm is a party or by which it is bound or under which Prairie Storm has, or will have, any liability or contingent liability (in each case, whether written or oral, express or implied), and includes any quotations, orders, proposals or tenders which remain open for acceptance and warranties and guarantees;
- (q) "**Court**" means the Court of Queen's Bench of Alberta;
- (r) "**Depository**" means Computershare Trust Company of Canada or such other Person that may be appointed by Prairie Storm and InPlay for the purpose of receiving deposits of certificates or direct registration system advices representing Prairie Storm Shares in connection with the Acquisition;
- (s) "**Depository Agreement**" means the agreement to be entered into among InPlay, Prairie Storm and the Depository in connection with completion of the Acquisition;
- (t) "**Derivative Contract**" means a financial risk management Contract, such as a currency, commodity, interest or equity related instrument, including rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross currency rate swap transactions, currency options, production sales transactions having terms greater than 90 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions, but do not include any Marketing and Midstream Agreements;
- (u) "**Dissent Rights**" has the meaning ascribed thereto in the Plan of Arrangement;
- (v) "**Effective Date**" means the date the Acquisition becomes effective under the ABCA;
- (w) "**Effective Time**" means the time on the Effective Date when the Acquisition becomes effective pursuant to the Plan of Arrangement;
- (x) "**Employment Information**" has the meaning ascribed to that term in Section 4.1(u)(ii);
- (y) "**Encumbrance**" means, in the case of property or an asset, all mortgages, pledges, charges, liens, debentures, hypothecs, trust deeds, outstanding demands, burdens, capital leases, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar interests or instruments charging, or creating a security interest in, or against title to, such property or assets, or any part thereof or interest therein, and any agreements, leases, options, easements, rights of way, restrictions, executions or other charges or encumbrances (including

notices or other registrations in respect of any of the foregoing) (whether by Applicable Laws, contract or otherwise) against title to any property or asset, or any part thereof or interest therein or capable of becoming any of the foregoing;

- (z) "**Environment**" means the natural environment (including soil, land surface or subsurface strata, surface waters, groundwater, sediment, ambient air (including all layers of the atmosphere), organic and inorganic matter and living organisms), and any other environmental medium or natural resource;
- (aa) "**Environmental Laws**" means, with respect to any Person or its business, activities, property, assets or undertaking, all Applicable Laws relating to environmental or health matters, including Applicable Laws governing the use and storage of Hazardous Substances;
- (bb) "**Equity Consideration**" means the equity consideration in the amount of 0.0524 InPlay Shares per Prairie Storm Share to be paid to the Prairie Storm Shareholders pursuant to the Plan of Arrangement;
- (cc) "**Final Order**" means the order of the Court approving the Acquisition pursuant to subsection 193(9) of the ABCA, as such order may be amended by the Court with the consent of the Parties, each acting reasonably;
- (dd) "**Governmental Authority**" means any:
  - (i) national, federal, provincial, state, regional, municipal, local or other government or any governmental regulatory or administrative authority department, court, tribunal, arbitral body, commission, board, bureau ministry or agency, or official, domestic or foreign, including any political subdivision thereof;
  - (ii) any subdivision, agent, commission, board or authority of any of the foregoing;
  - (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; and
  - (iv) any stock exchange, including the TSX and the TSXV;
- (ee) "**Hazardous Substances**" means any waste or other substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor;
- (ff) "**Hold Period Agreements**" means the hold period agreements substantially in the form attached to the Prairie Storm Disclosure Letter, to be entered into by InPlay with each of the directors and executive officers of Prairie Storm and certain Prairie Storm Shareholders, as set forth in the Prairie Storm Disclosure Letter, and effective concurrent with the Effective Time;
- (gg) "**IFRS**" means International Financial Reporting Standards, as issued by the International Accounting Standards Board;
- (hh) "**including**" and "**includes**" mean "including (or includes) without limitation";
- (ii) "**Indebtedness**" means, with respect to any Person, without duplication:

- (i) indebtedness of such Person for borrowed money, secured or unsecured;
  - (ii) every obligation of such Person evidenced by bonds, debentures, notes, derived obligations or other similar instruments;
  - (iii) every obligation of such Person under purchase money mortgages, conditional sale agreements or other similar instruments relating to purchased property or assets; and
  - (iv) every obligation of the type referred to above of any other Person, the payment of which such Person has guaranteed or for which such Person is otherwise responsible or liable;
- (jj) **"InPlay Board"** means the Board of Directors of InPlay;
  - (kk) **"InPlay Disclosure Letter"** means the disclosure letter of InPlay dated the date hereof and delivered by InPlay to Prairie Storm concurrent with the execution and delivery of this Agreement;
  - (ll) **"InPlay Debt Financing"** means the debt financing to be completed by InPlay in connection with completion of the Acquisition;
  - (mm) **"InPlay Credit Facility Commitment Letter"** means the commitment letter amount InPlay and its senior lenders providing for an increase in InPlay's senior credit facility effective upon the Effective Date, subject to the terms and conditions thereof;
  - (nn) **"InPlay Equity Financing"** means the issuance and sale of subscription receipts by InPlay pursuant to a short form prospectus offering, each of which will automatically convert into one (1) InPlay Share upon completion of the Acquisition;
  - (oo) **"InPlay Equity Financing Agreement"** means the "bought deal" letter among InPlay and Eight Capital dated the date of this Agreement in respect of the InPlay Equity Financing;
  - (pp) **"InPlay Financial Statements"** means, collectively: (i) the audited financial statements of InPlay as at and for the years ended December 31, 2020 and 2019, together with the notes thereto and the report of the auditors thereon; and (ii) the condensed unaudited financial statements of InPlay as at and for the three and six months ended June 30, 2021 and June 30, 2020, together with the notes thereto;
  - (qq) **"InPlay Financings"** means, collectively, the InPlay Debt Financing and the InPlay Equity Financing.
  - (rr) **"InPlay Information"** means the information describing InPlay and its business, operations and affairs required to be included (or incorporated by reference) in the Circular under Applicable Canadian Securities Laws;
  - (ss) **"InPlay Option Plan"** means the stock option plan adopted by the InPlay shareholders on November 4, 2016;
  - (tt) **"InPlay Options"** means the outstanding options to purchase InPlay Shares granted pursuant to the InPlay Option Plan;

- (uu) **"InPlay Public Record"** means all information filed by or on behalf of InPlay on and after December 31, 2019 with the Securities Authorities, in compliance, or intended compliance, with any Applicable Laws;
- (vv) **"InPlay Reserves Report"** means the independent engineering evaluation of InPlay's oil, natural gas liquids and natural gas interests prepared by Sproule effective December 31, 2020 and dated March 15, 2021;
- (ww) **"InPlay Shares"** means common shares of InPlay as constituted on the date hereof;
- (xx) **"InPlay Termination Fee"** has the meaning ascribed to that term in Section 6.1;
- (yy) **"Interim Order"** means the interim order of the Court concerning the Acquisition under subsection 193(4) of the ABCA, containing declarations and directions with respect to the Acquisition and the holding of the Prairie Storm Meeting, as such order may be amended by the Court with the consent of InPlay and Prairie Storm, each acting reasonably;
- (zz) **"Laws"** means all domestic and foreign, federal, provincial, territorial, state, municipal or local laws (including, for greater certainty, common law), all statutes, regulations, by-laws, statutory rules, orders, ordinances, protocols, codes, guidelines, notices and directions enacted by a Governmental Authority and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority or self-regulatory authority, and including, for greater certainty, Applicable Canadian Securities Laws and Environmental Laws;
- (aaa) **"Marketing and Midstream Agreements"** means each agreement of Prairie Storm, InPlay or any of their respective subsidiaries for the processing, compression, treatment, gathering, storage, transportation, purchase, sale or delivery of petroleum and natural gas, as disclosed in the Prairie Storm Disclosure Letter and the InPlay Disclosure Letter, respectively;
- (bbb) **"material adverse change"** or **"material adverse effect"** means, with respect to a Party, any fact or state of facts, circumstance, change, effect, occurrence or event that is, or would reasonably be expected to be, material and adverse to the business, operations, results of operations, assets, properties, capitalization, liabilities, obligations (whether absolute, accrued, conditional or otherwise), condition (financial or otherwise) or prospects of the Party and its subsidiaries, taken as a whole, except to the extent of any fact or state of facts, circumstance, change, effect, occurrence or event resulting from or arising in connection with:
  - (i) conditions in or relating to global, national or regional political conditions (including strikes, lockouts, riots, blockades or facility takeover for emergency purposes) or in general economic, business, banking, regulatory, currency exchange, interest rate, rates of inflation or market conditions or in national or global financial or capital markets;
  - (ii) conditions affecting the oil and natural gas exploration, exploitation, development and production industry as a whole;
  - (iii) any act of terrorism or any outbreak of hostilities or declared or undeclared war, or any escalation or worsening of such acts of terrorism, hostilities or war;
  - (iv) any adoption, proposal, implementation or change in Law or in any interpretation, application or non-application of any Laws by any Governmental Authority (including, for

greater certainty, any change to the Tax Act or other applicable taxing legislation or to tax rates including changes in Laws (including tax Laws) and royalties);

- (v) any climatic, earthquake or other natural event or condition (including weather conditions and any natural disaster);
- (vi) any epidemic, pandemic (including the COVID-19 pandemic, but only to the extent of a material worsening thereof from the date hereof), disease outbreak, other health crisis or public health event;
- (vii) any decline in the market price of crude oil, natural gas or related hydrocarbons on a current or forward basis;
- (viii) any change in the market price or trading volume of any securities of InPlay or Prairie Storm (it being understood that the causes underlying such change may be taken into account in determining whether a material adverse change or material adverse effect has occurred);
- (ix) any failure by InPlay or Prairie Storm, as the case may be, to meet any internal or published financial or other projections or forecasts, including projections and forecasts provided to the other Party in connection with its due diligence inquiries or the negotiation of this Agreement (provided that this clause (ix) will not prevent a determination that any change giving rise to such a failure to meet projections or forecasts has resulted in a material adverse change or material adverse effect to the extent it is not otherwise excluded from this definition);
- (x) any matter which has been publicly disclosed by InPlay, in the InPlay Public Record, or Prairie Storm, in the Prairie Storm Public Record, as applicable, or by InPlay, in the InPlay Disclosure Letter, or Prairie Storm, in the Prairie Storm Disclosure Letter, as applicable; and
- (xi) any changes or effects arising, directly or indirectly, from the Acquisition or any other matters or actions permitted or contemplated by this Agreement, including any public announcement of the foregoing, or consented to or approved in writing by the other Party;

provided, however, that if the change or effect referred to in clauses (i) to (vii), disproportionately affects either Party, taken as a whole, as the case may be, compared to other entities of similar size and operating in the oil and gas exploration, exploitation, development and production industry in the areas in which the Parties have properties or assets, the relevant exclusion from this definition of material adverse change or material adverse effect referred to in clauses (i) to (vii) above will not be applicable;

- (ccc) "**material change**" has the meaning ascribed thereto in the Securities Act;
- (ddd) "**misrepresentation**" has the meaning ascribed thereto in the Securities Act;
- (eee) "**Outside Date**" means December 31, 2021, or such later date as may be agreed to by the Parties;
- (fff) "**Parties**" means InPlay and Prairie Storm; and "**Party**" means either of them;

- (ggg) "**Permitted Encumbrances**" means: (i) with respect to InPlay, Encumbrances specifically disclosed to Prairie Storm by InPlay in writing and with respect to Prairie Storm, Encumbrances specifically disclosed to InPlay by Prairie Storm in writing; (ii) easements, rights of way, servitudes or other similar rights, including rights of way for highways, railways, sewers, drains, gas or oil pipelines, gas or water mains, electric light, power, telephone or cable television towers, poles, wires and similar rights in real property or any interest therein, provided the same are registered on title and not of such nature as to materially adversely affect the use of the property subject thereto; (iii) the regulations and any rights reserved to or vested in any Governmental Authority to levy Taxes or to control or regulate any Party's interests in any manner; (iv) undetermined or inchoate liens incurred or created in the ordinary course of business as security for a Party's share of the costs and expenses of the development or operation of any of its assets, which costs and expenses are not delinquent as of the Effective Time; (v) undetermined or inchoate mechanics' liens and similar liens for which payment for services rendered or goods supplied is not delinquent as of the Effective Time; (vi) any statutory Encumbrance for Taxes or other governmental charges or assessments not yet due or delinquent or the validity of which is being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with IFRS; (vii) any Encumbrances under a Party's existing credit facilities; and (viii) purchase money security interests and liens securing capital leases; provided that: (A) such liens are liens limited to the property or assets purchased or leased; or (B) such Encumbrances exist as of the date hereof;
- (hhh) "**Person**" includes any individual, firm, partnership, limited partnership, limited liability partnership, joint venture, association, trust, trustee, executor, administrator, legal personal representative, indigenous group, estate group, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status;
- (iii) "**Plan of Arrangement**" means the plan of arrangement substantially in the form set out in Schedule "A" to this Agreement, as amended or supplemented from time to time;
- (jjj) "**Prairie Storm Benefit Plans**" has the meaning ascribed to that term in Section 4.1(u)(xi);
- (kkk) "**Prairie Storm Board**" means the Board of Directors of Prairie Storm;
- (lll) "**Prairie Storm Board Recommendation**" has the meaning ascribed thereto in Section 2.2(a);
- (mmm) "**Prairie Storm Disclosure Letter**" means the disclosure letter of Prairie Storm dated the date hereof and delivered by Prairie Storm to InPlay concurrent with the execution and delivery of this Agreement;
- (nnn) "**Prairie Storm Employee Obligations**" means Prairie Storm Employment Termination Payments and any other obligations of Prairie Storm to pay any amount to its officers, directors, employees or consultants other than salary, ordinary course bonuses (but only to the extent such bonuses are specifically accrued and set forth in the Prairie Storm Disclosure Letter) and directors' fees in the ordinary course, and in each case in amounts consistent with historic practices and as disclosed in the Prairie Storm Disclosure Letter. Prairie Storm Employee Obligations shall include any obligations of Prairie Storm to its officers, directors, employees or consultants in connection with a termination of employment or consulting engagement or change of control of Prairie Storm or otherwise pursuant to any written agreements (including the Prairie Storm Employment Agreements) or resolution of the Prairie Storm Board, pension plans or other plans, Prairie Storm's retention, bonus or other policies or otherwise in accordance with Applicable Laws;

- (ooo) **"Prairie Storm Employment Agreements"** means the written employment agreements entered into between Prairie Storm and certain employees (including the officers) of Prairie Storm, the details of which (including the parties thereto) are disclosed in the Prairie Storm Disclosure Letter;
- (ppp) **"Prairie Storm Employment Termination Payments"** means the change of control, termination or severance payments (or both), if any, payable to the officers, employees and consultants of Prairie Storm pursuant to any written agreements (including the Prairie Storm Employment Agreements) or resolutions of the Prairie Storm Board, plans, policies or Applicable Laws, as disclosed in the Prairie Storm Disclosure Letter;
- (qqq) **"Prairie Storm Fairness Opinion"** means, the opinion of National Bank Financial Inc., one of Prairie Storm's financial advisors, to the effect that, as of the date of such opinion, and subject to the assumptions made and limitations and qualifications included therein, the Consideration to be received by the Prairie Storm Shareholders under the Acquisition is fair, from a financial point of view, to the Prairie Storm Shareholders;
- (rrr) **"Prairie Storm Financial Statements"** means, collectively: (i) the audited comparative consolidated financial statements of Prairie Storm as at and for the years ended December 31, 2020 and 2019, together with the notes thereto and the report of the auditors thereon; and (ii) the unaudited comparative consolidated financial statements of Prairie Storm as at and for the three and six months ended June 30, 2021, together with the notes thereto;
- (sss) **"Prairie Storm Information"** means the information describing Prairie Storm and its business, operations and affairs required to be included (or incorporated by reference) in the Circular under Applicable Canadian Securities Laws;
- (ttt) **"Prairie Storm Meeting"** means the special meeting of the Prairie Storm Shareholders, including any adjournment(s) or postponement(s) thereof, that is to be convened to consider and, if deemed advisable, approve the Acquisition Resolution;
- (uuu) **"Prairie Storm Net Debt"** means Prairie Storm's total Indebtedness plus or less any working capital deficit or surplus, respectively, (in each case as defined on an accrual basis in accordance with IFRS), without duplication, calculated consistent with past practices consistent with the manner set forth in the Prairie Storm Disclosure Letter and, for greater certainty, in calculating the Prairie Storm Net Debt for the purposes of the Acquisition, the calculation shall include, as applicable, cash and cash equivalents, accounts receivable and accrued receivables, prepaid expenses and deposits, accounts payable and accrued liabilities, as applicable, and provided further that "Prairie Storm Net Debt" shall not include the Prairie Storm Transaction Costs (other than the retention bonuses as set forth in the Prairie Storm Disclosure Letter);
- (vvv) **"Prairie Storm Option Agreements"** means the grant letters in respect of the grant of Prairie Storm Options;
- (www) **"Prairie Storm Option Exercise and Cancellation Agreements"** means the agreements to be entered into between Prairie Storm and Prairie Storm Optionholders whereby Prairie Storm Optionholders agree to surrender for cancellation all Prairie Storm Options held by such Prairie Storm Optionholders not conditionally exercised or surrendered immediately prior to the Effective Time, for consideration of \$0.005 per Prairie Storm Option;
- (xxx) **"Prairie Storm Option Plan"** means the option plan of Prairie Storm governing the Prairie Storm Options;

- (yyy) "**Prairie Storm Options**" means options to purchase Prairie Storm Shares granted pursuant to the Prairie Storm Option Agreements;
- (zzz) "**Prairie Storm Optionholder**" means a holder of Prairie Storm Options;
- (aaaa) "**Prairie Storm Public Record**" means all information filed by or on behalf of Prairie Storm on and after December 16, 2020 with the Securities Authorities, in compliance, or intended compliance, with any Applicable Laws;
- (bbbb) "**Prairie Storm Reserves Report**" means the independent engineering evaluation of Prairie Storm's oil, natural gas liquids and natural gas interests prepared by Sproule effective December 31, 2020 and dated March 11, 2021;
- (cccc) "**Prairie Storm Shareholders**" means the holders from time to time of Prairie Storm Shares;
- (dddd) "**Prairie Storm Shares**" means common shares of Prairie Storm as constituted on the date hereof;
- (eeee) "**Prairie Storm Support Agreements**" means the support agreements, substantially in the form attached as Schedule "B" hereto, to be entered into between InPlay and the Prairie Storm Supporting Shareholders, in their capacities as holders of Prairie Storm Shares, in which the Prairie Storm Supporting Shareholders will agree, among other things, to vote the Prairie Storm Shares owned, beneficially or legally, or controlled or subsequently acquired by them in favour of the Acquisition Resolution at the Prairie Storm Meeting and to otherwise support the Acquisition Resolution;
- (ffff) "**Prairie Storm Supporting Shareholders**" means each of the directors, executive officers and certain other Prairie Storm Shareholders;
- (gggg) "**Prairie Storm Termination Fee**" has the meaning ascribed to that term in Section 6.2;
- (hhhh) "**Prairie Storm Transaction Costs**" means all fees, costs and expenses of Prairie Storm (whether incurred, accrued or billed) in connection with the completion of the Acquisition (including all financial, advisory, legal, accounting, engineering, other professionals or consultants, directors and officers run-off insurance, printing, mailing and other costs related to the Prairie Storm Meeting and any other expenses directly related to, associated with or resulting from the transactions contemplated hereby), including Prairie Storm Employee Obligations and as itemized in the Prairie Storm Disclosure Letter;
- (iiii) "**Registrar**" means the Registrar of Corporations or a Deputy Registrar of Corporations appointed under Section 263 of the ABCA;
- (jjjj) "**Release**" means any sudden, intermittent or gradual release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, migration, injection, escape, leaching, disposal, dumping, deposit, spraying, burial abandonment, incineration, seepage, placement or introduction of a Hazardous Substance, whether accidental or intentional, into the Environment;
- (kkkk) "**Representatives**" means the officers, directors, employees, financial advisors, legal counsel, accountants and other agents and representatives of a Party;
- (llll) "**Securities Act**" means the *Securities Act* (Alberta);

- (mmmm) "**Securities Authorities**" means, collectively, the securities commissions or similar securities regulatory authorities in each of the Provinces or Territories of Canada;
- (nnnn) "**Sproule**" means Sproule Associates Limited, independent oil and natural gas reservoir engineers of Calgary, Alberta;
- (oooo) "**subsidiary**" has the meaning set forth in the Securities Act;
- (pppp) "**Superior Proposal**" has the meaning set out in Section 3.4(b)(vi)(A);
- (qqqq) "**Tax**" or "**Taxes**" means all taxes whether Canadian federal, provincial, territorial, local, municipal or foreign (including income, gross receipts, licence, fees, payroll, employment, excise, severance, premium, windfall profits, customs duties, capital, capital stock, capital gain, value added, franchise, business, profits, withholding, social security (or similar), Saskatchewan Corporation Capital Tax and Resource Surcharge, employment/unemployment, disability, real property, personal property, sales, use, occupation, goods and services, environment, carbon, stamp, transfer, registration, alternative or minimum tax, municipal tax, employment insurance premiums and Canada Pension Plan contributions, and including any interest, penalty, or addition thereto, whether disputed or not, imposed, assessed or collected by, for or under the authority of the Tax Act or any Governmental Authority or payable pursuant to the Tax Act or tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency or fee);
- (rrrr) "**Tax Act**" means the *Income Tax Act* (Canada);
- (ssss) "**Tax Returns**" shall mean all reports, estimates, elections, designations, forms, schedules, declarations of estimated tax, information statements and returns relating to, or required to be filed in connection with, any Taxes, including any amendments, refiling or supplements to the foregoing;
- (tttt) "**TSX**" means the Toronto Stock Exchange;
- (uuuu) "**TSXV**" means the TSX Venture Exchange; and
- (vvvv) "**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended.

## **1.2 Interpretation Not Affected by Headings, etc.**

The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement (including Schedule "A" hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

## **1.3 Number, etc.**

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

#### **1.4 Date for Any Action**

If any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day, such action is required to be taken on the next succeeding day which is a Business Day; provided that this Section 1.4 does not apply to the time periods specified in Section 3.4.

#### **1.5 Entire Agreement**

This Agreement, the Confidentiality Agreements, the Prairie Storm Support Agreements and the Hold Period Agreements, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof. To the extent there is any inconsistency between this Agreement and the Confidentiality Agreements, this Agreement shall supersede the Confidentiality Agreements.

#### **1.6 Currency**

All sums of money referred to in this Agreement are expressed in lawful money of Canada.

#### **1.7 Accounting Matters**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature that are required to be made shall be made in a manner consistent with IFRS.

#### **1.8 Disclosure in Writing**

Reference to disclosure in writing herein shall, in the case of InPlay, include the Prairie Storm Disclosure Letter and disclosure to InPlay or its Representatives, or in the case of Prairie Storm, include the InPlay Disclosure Letter and disclosure to Prairie Storm or its Representatives.

#### **1.9 References to Legislation**

References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

#### **1.10 Enforceability**

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Laws relating to or affecting creditors' and others' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief) and general principles of equity.

#### **1.11 Knowledge**

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of a Party, it refers: (i) in the case of InPlay, to the actual knowledge of the President and Chief Executive Officer, the Chief Financial Officer and any Vice President; and (ii) in the case of Prairie Storm, to the actual knowledge of the President and Chief Executive Officer, Chief Financial Officer and any Vice President, in each case after making reasonable enquiries.

### **1.12 No Strict Construction**

The Parties acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party will not be applicable in the interpretation of this Agreement.

### **1.13 Schedules**

The following schedules attached hereto are incorporated into, and form an integral part of, this Agreement:

Schedule "A" – Plan of Arrangement

Schedule "B" – Form of Prairie Storm Support Agreement

## **ARTICLE 2 THE ACQUISITION**

### **2.1 Plan of Arrangement**

- (a) The Parties agree to carry out the Acquisition in accordance with the terms of the Plan of Arrangement. InPlay and Prairie Storm further agree that the Acquisition shall be carried out with the intention that, assuming the Final Order is granted by the Court, all InPlay Shares issuable under the Acquisition to the Prairie Storm Shareholders will be issued by InPlay in reliance on the exemption from the registration requirements of the U.S. Securities Act, provided by section 3(a)(10) thereof.
- (b) As soon as reasonably practicable after date of this Agreement, but in any event by no later than October 29, 2021, Prairie Storm will apply to the Court, in a manner acceptable to InPlay, acting reasonably, for the Interim Order and thereafter will diligently seek the Interim Order in cooperation with InPlay. Upon receipt of the Interim Order, Prairie Storm will promptly carry out the terms of the Interim Order to the extent applicable to it.
- (c) The application for the Interim Order referred to in Section 2.1(b) shall request that the Interim Order provide, among other things:
  - (i) for the classes of Persons to whom notice is to be provided in respect of the Acquisition and the Prairie Storm Meeting and for the manner in which such notice is to be provided;
  - (ii) that the requisite approval for the Acquisition Resolution to be placed before the Prairie Storm Shareholders at the Prairie Storm Meeting shall be:
    - (A) 66 $\frac{2}{3}$ % of the votes cast on the Acquisition Resolution by Prairie Storm Shareholders present in person or represented by proxy at the Prairie Storm Meeting (and that each Prairie Storm Shareholder is entitled to one vote for each Prairie Storm Share held); and
    - (B) if required under Applicable Canadian Securities Laws, a simple majority of the votes cast on the Acquisition Resolution by Prairie Storm Shareholders present in person or represented by proxy at the Prairie Storm Meeting after excluding the votes cast by those Persons whose votes are required to be excluded in accordance

with National Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

- (iii) for the method and manner in which amendments, revisions or supplements to the Circular (and any other materials sent by Prairie Storm in connection with the Prairie Storm Meeting), including material changes, may be mailed, filed or otherwise publicly disseminated to the Prairie Storm Shareholders and such other Persons as may be required by the Interim Order;
- (iv) that, in all other respects, other than as ordered by the Court, the terms, restrictions and conditions of the constating documents of Prairie Storm, including quorum requirements and all other matters, shall apply in respect of the Prairie Storm Meeting;
- (v) for the grant of Dissent Rights to the registered Prairie Storm Shareholders as set forth in the Plan of Arrangement;
- (vi) that the Prairie Storm Meeting may be adjourned or postponed from time to time in accordance with the terms of this Agreement without the need for additional approval of the Court;
- (vii) confirmation of the record date for the purposes of determining the Prairie Storm Shareholders entitled to receive materials and vote at the Prairie Storm Meeting in accordance with the Interim Order;
- (viii) that such record date for the purposes of determining the Prairie Storm Shareholders, entitled to receive materials and vote at the Prairie Storm Meeting will not change in respect of any adjournment(s) or postponement(s) of the Prairie Storm Meeting, unless required by Applicable Laws;
- (ix) for the notice requirements with respect to the presentation of the application to the Court for the Final Order; and
- (x) for such other matters as the Parties may agree in writing, each acting reasonably.

In the application referred to in Section 2.1(b), Prairie Storm shall inform the Court that the Parties intend to rely on the exemption provided by section 3(a)(10) of the U.S. Securities Act for the issuance of InPlay Shares pursuant to the Acquisition and that, in connection therewith, the Court will be required to approve the substantive and procedural fairness of the terms and conditions of the Acquisition to each Person to whom InPlay Shares will be issued. Each Person to whom InPlay Shares will be issued on completion of the Acquisition will be given adequate notice in accordance with the Interim Order advising them of their right to attend and appear before the Court at the hearing of the Court for the Final Order and providing them with adequate information to enable such Person to exercise such right.

- (d) On the condition that all necessary approvals for the Acquisition Resolution are obtained from the Prairie Storm Shareholders, Prairie Storm shall, as soon as reasonably practicable following the Prairie Storm Meeting but in any event not later than two Business Days after the Acquisition Resolution is duly passed apply to the Court for the Final Order.
- (e) Prairie Storm shall, prior to the receipt of the Interim Order, amend the Plan of Arrangement at any time and from time to time, at the reasonable request of InPlay, to modify any of the terms therein

as determined to be necessary or desirable by InPlay, acting reasonably, provided that no such amendment (i) is inconsistent with this Agreement, (ii) is prejudicial to the Prairie Storm Shareholders or Prairie Storm, or (iii) creates a reasonable risk of delaying, impairing or impeding in any material respect the satisfaction of any other conditions set forth in this Agreement.

## **2.2 Prairie Storm Board Recommendation**

Prairie Storm represents and warrants to InPlay that the Prairie Storm Board:

- (a) has, after receiving the advice of its financial and legal advisors, unanimously:
  - (i) determined that the Acquisition and the entry into this Agreement are in the best interests of Prairie Storm;
  - (ii) determined that the Acquisition is fair to Prairie Storm Shareholders;
  - (iii) approved this Agreement and the transactions contemplated hereby; and
  - (iv) resolved to recommend that Prairie Storm Shareholders vote in favour of the Acquisition Resolution

(collectively, the "**Prairie Storm Board Recommendation**"); and
- (b) has received the oral Prairie Storm Fairness Opinion.

## **2.3 InPlay Board Recommendation**

InPlay represents and warrants to Prairie Storm that the InPlay Board has unanimously determined, after receiving the advice of its financial advisors that, the Acquisition and the entry into this Agreement are in the best interests of InPlay.

## **2.4 Circular and Prairie Storm Meeting**

- (a) As promptly as practicable following the execution of this Agreement and in compliance with the Interim Order and Applicable Laws, Prairie Storm and InPlay shall, as applicable and with assistance from and the participation of the other Party, each acting reasonably: (i) prepare the Circular together with any other documents required by Applicable Laws in connection with the Prairie Storm Meeting, and cause the Circular and such other documents to be mailed to the Prairie Storm Shareholders and such other Persons as required by the Interim Order and required by the ABCA and filed with applicable Securities Authorities and other Governmental Authorities in all jurisdictions where the same are required to be filed by no later than November 1, 2021; and (ii) convene and conduct the Prairie Storm Meeting by no later than November 29, 2021 and not adjourn, postpone or cancel (or propose the same) the Prairie Storm Meeting without the prior written consent of InPlay, such consent not to be unreasonably withheld, conditioned or delayed, except in the case of an adjournment or postponement required for quorum purposes or by Applicable Laws or by a Governmental Authority, at which Prairie Storm Meeting the Acquisition Resolution shall be submitted to the Prairie Storm Shareholders entitled to vote upon the Acquisition Resolution for approval.
- (b) Prairie Storm shall, with assistance from and the participation of InPlay, each acting reasonably, cause the Circular to be prepared in compliance, in all material respects, with Applicable Canadian

Securities Laws and to provide the Prairie Storm Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be considered at the Prairie Storm Meeting and shall include (or incorporate by reference, as applicable): (i) the Prairie Storm Information; (ii) a copy of the Prairie Storm Fairness Opinion; (iii) subject to the terms of this Agreement, the Prairie Storm Board Recommendation; and (iv) the InPlay Information;

- (c) InPlay shall, in a timely manner, provide Prairie Storm with the InPlay Information, and such other information relating to InPlay as Prairie Storm may reasonably request for inclusion in the Circular, so as to permit compliance with the timeline set out in Section 2.4(a) and requirements set out in Section 2.4(b).
- (d) Prairie Storm shall provide InPlay and its Representatives with an opportunity to review and comment on the Circular and any other relevant documentation and shall give due consideration to all comments made by InPlay and its Representatives (subject to any Applicable Laws). The Circular shall be in form and content satisfactory to Prairie Storm and InPlay, each acting reasonably, and shall comply with Applicable Canadian Securities Laws.
- (e) Prairie Storm shall use its reasonable commercial efforts to ensure that the Prairie Storm Information included in the Circular does not, at the time of the mailing of the Circular, contain any misrepresentation.
- (f) InPlay shall use its reasonable commercial efforts to ensure that the InPlay Information provided by it for inclusion in the Circular does not, at the time of the mailing of the Circular, contain any misrepresentation.
- (g) Each Party shall promptly notify the other Party if it becomes aware that the Circular contains a misrepresentation, or otherwise requires an amendment or supplement. The Parties shall co-operate in the preparation of any such amendment or supplement as is required or appropriate, and Prairie Storm shall promptly mail, file or otherwise publicly disseminate any such amendment or supplement to the Prairie Storm Shareholders and such other Persons as required by the Interim Order and such other Persons as required by the ABCA and, if required by the Court or by Applicable Law, file the same with the applicable securities regulatory authorities and other Governmental Authorities as required.
- (h) Prairie Storm shall consult with InPlay in fixing the record date of the Prairie Storm Meeting, and shall not change such record date for the Prairie Storm Shareholders entitled to vote at the Prairie Storm Meeting in connection with any adjournment or postponement of the Prairie Storm Meeting unless required by the Interim Order or Applicable Law.
- (i) Prairie Storm shall allow InPlay and its Representatives to attend the Prairie Storm Meeting.
- (j) Prairie Storm shall advise InPlay as InPlay may reasonably request, and on a daily basis on each of the last 10 Business Days prior to the proxy cut-off date for the Prairie Storm Meeting as to the aggregate tally of the proxies received by Prairie Storm in respect of the Acquisition Resolution and any other matters to be considered at the Prairie Storm Meeting.

## **2.5 Court Proceedings**

In connection with the Court proceedings relating to obtaining the Interim Order and the Final Order, Prairie Storm shall:

- (a) provide InPlay and its legal counsel with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Acquisition, prior to the filing of that material, and give reasonable and due consideration to all comments of InPlay and its legal counsel;
- (b) provide InPlay and its legal counsel on a timely basis a description of any information required to be supplied by InPlay for inclusion in any material to be filed with the Court in connection with the Interim Order or Final Order, as applicable, prior to the filing of that material, and will accept the reasonable comments of InPlay and its legal counsel with respect to any such information required to be supplied by InPlay and included in such material and any other matters contained therein;
- (c) provide counsel to InPlay, on a timely basis, with copies of any notice of appearance and evidence served on Prairie Storm or its counsel in respect of the application for the Interim Order and the application for the Final Order or any appeal therefrom, and of any notice (written or oral) received by Prairie Storm indicating an intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order;
- (d) not object to legal counsel to InPlay making such submissions on the application for the Interim Order and the application for the Final Order as such counsel considers appropriate, acting reasonably, provided that Prairie Storm is advised of the nature of any submissions prior to the hearing and such submissions are consistent in all material respects with this Agreement and the Acquisition;
- (e) subject to Applicable Laws, not file any material with, or make any written submissions to, the Court in connection with the Interim Order or Final Order or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated hereby or with InPlay's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed, provided that nothing herein shall require InPlay to agree or consent to, and InPlay shall not be deemed to agree or consent to, any increased purchase price or other consideration pursuant to the Acquisition or other modification or amendment to such filed or served materials that expands or increases InPlay's obligations, or diminishes or limits InPlay's rights, set forth in any such filed or served materials or under this Agreement;
- (f) oppose any proposal from any Person that the Interim Order or the Final Order contain any provision inconsistent with this Agreement, and if required by the terms of the Interim Order or the Final Order or by Applicable Law to return to Court with respect to the Interim Order or the Final Order do so only after notice to, and in consultation and cooperation with, InPlay; and
- (g) if at any time after the issuance of the Final Order and prior to the Effective Date, Prairie Storm is required by the terms of the Final Order or by Applicable Law to return to Court with respect to the Final Order, it shall do so after notice to, and in consultation and cooperation with, InPlay.

## **2.6 Effective Date**

The Acquisition shall become effective at the Effective Time on the Effective Date. The Certificate shall be conclusive evidence that the Acquisition has become effective as of the Effective Time. The Parties shall

use their reasonable commercial efforts to cause the Effective Date to occur prior to November 30, 2021 or as soon thereafter as reasonably practicable and, in any event, by the Outside Date.

## **2.7 Treatment of Prairie Storm Options**

- (a) The particulars of the Prairie Storm Options outstanding as at the date hereof are disclosed in the Prairie Storm Disclosure Letter including: (i) the names of holders of Prairie Storm Options and the number of Prairie Storm Options held by them; (ii) the date of grant; (iii) the date of expiry; and (iv) the exercise price of each Prairie Storm Option.
- (b) The Parties acknowledge and agree that pursuant to the terms of the Prairie Storm Option Plan, all outstanding Prairie Storm Options will automatically vest effective before the Effective Date and conditional upon the subsequent consummation of the Acquisition such that all such outstanding Prairie Storm Options shall be fully vested and may be exercised upon payment of the exercise price(s) before the Effective Time in accordance with their terms.
- (c) Prairie Storm covenants and agrees that it will use all commercially reasonable efforts to encourage and facilitate all of the holders of outstanding Prairie Storm Options to enter into Prairie Storm Option Exercise and Cancellation Agreements with InPlay and Prairie Storm on or prior to obtaining the Interim Order.
- (d) Prairie Storm shall promptly notify InPlay in writing of any exercise of any Prairie Storm Options.

## **2.8 Employee Matters**

- (a) As at the Effective Time, no officers, employees or consultants of Prairie Storm or its subsidiaries shall be entitled to any Prairie Storm Employment Termination Payments, except such payments the particulars of which are disclosed in the Prairie Storm Disclosure Letter. Prairie Storm has set forth in the Prairie Storm Disclosure Letter, Prairie Storm's good faith estimate, having regard to the assumptions set forth therein, of the Prairie Storm Employment Termination Payments and includes true and correct information regarding the job description, title, start date with Prairie Storm or its subsidiaries (or recognized service date for severance purposes if different from start date), age and remuneration of each non-officer employee of Prairie Storm and its subsidiaries. Prairie Storm has provided InPlay with copies of all Employment Agreements entered into with the non-officer employees of Prairie Storm and its subsidiaries.
- (b) On or before that date that is ten Business Days prior to the Effective Date, InPlay shall provide Prairie Storm with written confirmation of each employee and consultant of Prairie Storm and Prairie Storm Energy Corp. that has been selected by InPlay for continued employment or engagement with Prairie Storm, Prairie Storm Energy Corp. or InPlay, as applicable ("**Continuing Personnel**").
- (c) InPlay covenants and agrees that, effective concurrently with the consummation of the Acquisition, all Continuing Personnel shall be employed or engaged by Prairie Storm, Prairie Storm Energy Corp. or InPlay, as applicable, on terms and conditions substantially comparable in the aggregate to the terms and conditions on which they were employed or engaged immediately prior to the Effective Time.
- (d) At least five Business Days prior to the Effective Date, with the exception of the Continuing Personnel, the employment and engagement of all officers, employees and consultants of Prairie Storm and Prairie Storm Energy Corp. shall be terminated conditional upon the consummation of

the Acquisition and effective as of the Effective Time and all such officers, employees and consultants shall be entitled to receive the Prairie Storm Employment Termination Payments. The applicable Prairie Storm Employment Termination Payments, less all withholding Taxes, shall be paid by Prairie Storm at the Effective Time or as soon as practicable thereafter. With the exception of statutory termination pay, the payment of any Prairie Storm Employment Termination Payments in accordance with this Section 2.8 shall be conditional on the execution of a full and final release (in the case of Prairie Storm officers, a full and final mutual release) in favour of Prairie Storm and InPlay, in forms that are satisfactory to InPlay, acting reasonably.

- (e) Any officer, employee or consultant of Prairie Storm or Prairie Storm Energy Corp. who voluntarily resigns or is terminated for just cause or material breach prior to the Effective Time shall not be eligible for or entitled to, and shall not be paid, any of the Prairie Storm Employment Termination Payments or any other amount on account of notice of termination, termination pay or severance pay for any reason, except with the consent of InPlay.

## **2.9 Indemnities, Directors' and Officers' Insurance and Prairie Storm Agreements and Undertakings**

- (a) InPlay agrees that, after the Effective Time, Prairie Storm and its successors will not take any action to terminate or adversely affect, and will fulfill its obligations pursuant to, indemnities provided or available to or in favour of past and present officers and directors of Prairie Storm pursuant to the provisions of the articles, by-laws or other constating documents of Prairie Storm, Applicable Laws and any written indemnity agreements (and each of them), which have been entered into between Prairie Storm and its past or present officers or directors effective on or prior to the date hereof.
- (b) Prior to the Effective Date, Prairie Storm shall be entitled to secure "run off" directors' and officers' liability insurance for its past and present officers and directors, covering claims made prior to or within 6 years after the Effective Date which has a scope and coverage no less advantageous in scope and coverage to that provided pursuant to Prairie Storm's current directors' and officers' insurance policy and InPlay agrees to not take or permit any action to be taken by or on behalf of Prairie Storm following the Effective Date to terminate or adversely affect such directors' and officers' insurance.

## **2.10 Income Tax Election and Withholding**

- (a) A Prairie Storm Shareholder shall be entitled to file a joint income tax election, pursuant to subsection 85(1) (or in the case of a partnership, subsection 85(2)) of the Tax Act (and the analogous provisions of provincial income tax law), with respect to the exchange of Prairie Storm Shares for InPlay Shares in accordance with the procedures and within the time limits set out in the Plan of Arrangement. InPlay will not be responsible for the proper completion of any election form and InPlay will not be responsible for any Taxes, interest or penalties resulting from the failure by a former Prairie Storm Shareholder to properly complete or file the election forms in the form and manner and within the time prescribed by the Tax Act (and any applicable provincial legislation).
- (b) Prairie Storm, InPlay and the Depositary shall be entitled to deduct or withhold from any amounts otherwise payable or deliverable to any Person under the Acquisition or this Agreement, such amounts as Prairie Storm, InPlay or the Depositary determines, acting reasonably, may be required to be deducted or withheld with respect to such payment or delivery under the Tax Act or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated, for all purposes hereof, as having been paid to the Person in respect of whom such

deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Authority. Each of Prairie Storm, InPlay or the Depositary is hereby authorized to sell or otherwise dispose of such portion of any InPlay Shares otherwise deliverable to such Person as is necessary to provide sufficient funds to Prairie Storm, InPlay or the Depositary, as the case may be, to enable it to comply with all deduction or withholding requirements applicable to it, and Prairie Storm, InPlay or the Depositary shall notify such Person thereof and remit the applicable portion of the net proceeds of such sale to the appropriate Governmental Authority and, if applicable, any portion of such net proceeds that is not required to be so remitted shall be paid to such Person.

### **ARTICLE 3 COVENANTS AND ADDITIONAL AGREEMENTS**

#### **3.1 Covenants of InPlay**

From the date hereof until the earlier of the completion of the Acquisition and the termination of this Agreement in accordance with Article 8, except with the prior written consent of Prairie Storm (such consent not to be unreasonably withheld or delayed) or as otherwise expressly permitted or specifically contemplated by this Agreement, or as otherwise required by Applicable Laws:

- (a) the business of InPlay and its subsidiaries shall be conducted only in, and InPlay and its subsidiaries shall not take any action except in, the ordinary course of business and consistent with past practice, or in furtherance of the transactions contemplated herein, with it being acknowledged and agreed by Prairie Storm that such covenant is subject to: (i) InPlay's and its subsidiaries' compliance with Applicable Laws related to the COVID-19 pandemic; and (ii) actions taken as a result of such pandemic's continuing effect on working restrictions and the local, national and global economy (including any work stoppages or operational stoppages necessary to safeguard life or property); provided that any such action taken outside of the ordinary course of business or inconsistent with past practice as a result of such pandemic's continuing effect on working restrictions and the local, national and global economy (including any work stoppages or operational stoppages necessary to safeguard life or property) will be commercially reasonable and, to the extent applicable, not disproportionate compared to actions taken by companies similar to InPlay and operating in the areas in which InPlay has properties and assets, and InPlay and its subsidiaries shall use all reasonable commercial efforts to maintain and preserve its and their business organization, assets, employees and advantageous business relationships;
- (b) InPlay shall keep Prairie Storm apprised of all material developments relating to the ongoing business and affairs of InPlay;
- (c) InPlay shall not, and shall not permit any of its subsidiaries to, directly or indirectly, do or permit to occur, any of the following: (i) amend its constituting documents; (ii) amend its existing accounting policies, practices, methods and principles or adopt new accounting principles, in each case except as required by IFRS; (iii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares; (iv) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares of InPlay, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares of InPlay (other than the grant of InPlay Options in the ordinary course and the issuance of InPlay Shares pursuant to the exercise of InPlay Options outstanding on the date hereof in accordance with the terms thereof), other than pursuant to the InPlay Equity Financing; (v) redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (vi) split, combine or reclassify any of its securities; (vii) amend the terms of any of its securities; (viii) adopt a plan of liquidation

or resolutions providing for the liquidation, dissolution or reorganization of InPlay; (ix) other than in furtherance of the transactions contemplated herein, pursue any corporate acquisition or disposition, amalgamation, merger, arrangement or purchase or sale of assets or make any material change to the business, capital or affairs of InPlay, in each case, that would interfere with, prevent or delay the transactions contemplated by this Agreement; (x) reduce the stated capital of InPlay or any of its outstanding shares; (xi) pay, discharge or satisfy any material claims, liabilities or obligations, other than in the ordinary course of business consistent with past practice; (xii) sell, dispose of, transfer, convey, encumber, surrender, release or abandon the whole or any part of its assets, other than production and abandonments in the ordinary course; (xiii) take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere or affect the consummation of the Acquisition; or (xiv) enter into, modify or terminate any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above;

- (d) InPlay shall not take any action that would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement misleading or untrue in any material respect at any time prior to completion of the Acquisition or termination of this Agreement, whichever first occurs;
- (e) InPlay shall promptly notify Prairie Storm in writing of any material change (actual, anticipated, contemplated or, to the knowledge of InPlay, threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, or of any change in any representation or warranty provided by InPlay in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and InPlay shall in good faith discuss with Prairie Storm any change in circumstances (actual, anticipated, contemplated, or to the knowledge of InPlay threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Prairie Storm pursuant to this Section 3.1(e);
- (f) InPlay will promptly provide to Prairie Storm, for review by Prairie Storm and its counsel, prior to filing or issuance thereof, any proposed public disclosure document, including any news release or material change report, subject to InPlay's obligations under Applicable Canadian Securities Laws to make continuous disclosure and timely disclosure of material information, and Prairie Storm agrees to keep such information confidential until it is filed as part of the InPlay Public Record;
- (g) InPlay shall cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing providing coverage equivalent to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect and shall pay all premiums in respect of such insurance policies that become due prior to the Effective Date;
- (h) InPlay shall ensure that it has available funds under its lines of credit or other bank facilities to make, within the time periods contemplated herein, the payment of the Prairie Storm Termination Fee having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount when required;
- (i) InPlay shall, on the Effective Date, provide to the Depositary an irrevocable direction authorizing and directing the Depositary to issue and distribute the InPlay Shares and Cash Consideration

payable under the Acquisition to Prairie Storm Shareholders in accordance with the terms of this Agreement and the Plan of Arrangement;

- (j) InPlay shall indemnify and save harmless Prairie Storm and its Representatives from and against any and all liabilities, Claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which Prairie Storm, or any Representative thereof, may be subject or which Prairie Storm, or any Representative thereof, may suffer, whether under the provisions of any Law or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:
  - (i) any misrepresentation or alleged misrepresentation in the InPlay Information;
  - (ii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the InPlay Information; or
  - (iii) InPlay not complying with any requirement of Applicable Laws in connection with the transactions contemplated in this Agreement,

except that InPlay shall not be liable in any such case to the extent that any such liabilities, Claims, demands, losses, costs, damages and expenses arise out of, or are caused by, any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the Circular that is based solely on the Prairie Storm Information included in the Circular;

- (k) InPlay shall provide to Prairie Storm all such information respecting its operations and affairs as may be reasonably requested from time to time by Prairie Storm;
- (l) InPlay shall maintain its status as a "reporting issuer" (or the equivalent thereof) in all provinces of Canada where it is a reporting issuer at the date of this Agreement, maintain the listing of the InPlay Shares on the TSX and remain in material compliance with Applicable Canadian Securities Laws;
- (m) InPlay shall promptly apply to the TSX for its conditional approval of the listing of the InPlay Shares issuable to Prairie Storm Shareholders pursuant to the Acquisition on the TSX and shall take all necessary corporate action to allot and reserve for issuance the InPlay Shares to be issued in exchange for Prairie Storm Shares;
- (n) InPlay shall use its commercially reasonable efforts to obtain the written consent of its bankers, lenders and any other third parties to the extent required to permit the consummation of the Acquisition or as otherwise contemplated hereby;
- (o) except for proxies and other non-substantive communications with the holders of InPlay securities, InPlay will furnish promptly to Prairie Storm or Prairie Storm's counsel, a copy of each notice, report, schedule or other document delivered, filed or received by InPlay in connection with: (i) the Acquisition; (ii) any filings under Applicable Laws in connection with the transactions contemplated hereby; and (iii) any dealings with any Governmental Authority in connection with the transactions contemplated hereby;

- (p) InPlay shall use reasonable commercial efforts to preserve intact its business organization, assets, properties and goodwill and maintain satisfactory relationships with suppliers and distributors and others having business relationships with it; and
- (q) InPlay shall use all reasonable commercial efforts to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all Applicable Laws to complete the Acquisition, in accordance with the terms thereof, including using its reasonable commercial efforts to:
  - (i) obtain all necessary consents, approvals, authorizations and filings as are required to be obtained or made by InPlay under any Applicable Law and to satisfy any condition provided for under this Agreement;
  - (ii) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affect their ability to consummate the Acquisition; and
  - (iii) co-operate with Prairie Storm in connection with the performance by it of its obligations hereunder.

### **3.2 Covenants of Prairie Storm**

From the date hereof until the earlier of the completion of the Acquisition and the termination of this Agreement in accordance with Section 8.1, except with the prior written consent of InPlay (such consent not to be unreasonably withheld, conditioned or delayed) or as otherwise expressly permitted or specifically contemplated by this Agreement, or as otherwise required by Applicable Laws:

- (a) the business of Prairie Storm and its subsidiaries shall be conducted only in, and Prairie Storm and its subsidiaries shall not take any action except in, the ordinary course of business and consistent with past practice, or in furtherance of the transactions contemplated herein, with it being acknowledged and agreed by InPlay that such covenant is subject to: (i) Prairie Storm's and its subsidiaries' compliance with Applicable Laws related to the COVID-19 pandemic; and (ii) actions taken as a result of such pandemic's continuing effect on working restrictions and the local, national and global economy (including any work stoppages or operational stoppages necessary to safeguard life or property); provided that any such action taken outside of the ordinary course of business or inconsistent with past practice as a result of such pandemic's continuing effect on working restrictions and the local, national and global economy (including any work stoppages or operational stoppages necessary to safeguard life or property) will be commercially reasonable and, to the extent applicable, not disproportionate compared to actions taken by companies similar to Prairie Storm, and Prairie Storm shall use all reasonable commercial efforts to maintain and preserve its and their business organization, assets, employees and advantageous business relationships;
- (b) Prairie Storm shall consult with InPlay, on a regular basis, in respect of the ongoing business and affairs of Prairie Storm and keep InPlay apprised of all material developments relating thereto;
- (c) Prairie Storm shall not, and shall not permit any of its subsidiaries to, directly or indirectly, do or permit to occur, any of the following: (i) amend its constating documents; (ii) amend its existing accounting policies, practices, methods and principles or adopt new accounting principles, in each case except as required by IFRS; (iii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares; (iv) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares of Prairie Storm, or securities

convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares of Prairie Storm (other than the issuance of Prairie Storm Shares pursuant to the exercise of Prairie Storm Options outstanding on the date hereof in accordance with the terms thereof); (v) redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (vi) split, combine or reclassify any of its securities; (vii) amend the terms of any of its securities (other than to permit accelerated vesting of currently outstanding Prairie Storm Options in accordance with this Agreement and the terms of the Prairie Storm Option Plan); (viii) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of Prairie Storm; (ix) pursue any corporate acquisition or disposition, amalgamation, merger, arrangement or purchase or sale of assets or make any material change to the business, capital or affairs of Prairie Storm; (x) reduce the stated capital of Prairie Storm or any of its outstanding shares; (xi) pay, discharge or satisfy any material claims, liabilities or obligations, other than in the ordinary course of business consistent with past practice; (xii) sell, dispose of, transfer, convey, encumber, surrender, release or abandon the whole or any part of its assets, other than production and abandonments in the ordinary course; (xiii) terminate any employees, except in accordance with this Agreement; (xiv) take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere or affect the consummation of the Acquisition; or (xv) enter into, modify or terminate any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above;

- (d) Prairie Storm shall not, directly or indirectly, except for expenditures disclosed in the Prairie Storm Disclosure Letter or otherwise considered necessary by Prairie Storm, acting reasonably, to preserve or protect the health or safety of individuals or to preserve or protect property or the Environment: (i) sell, pledge, dispose of or encumber any assets, other than production in the ordinary course of business; (ii) expend or commit to expend any amount with respect to any capital expenditures having an individual value in excess of \$50,000 or \$100,000 in the aggregate; (iii) expend or commit to expend any amounts with respect to any operating expenses in excess of \$50,000 individually or \$100,000 in aggregate and provided that any such expenses are in the ordinary course of business; (iv) acquire or agree to acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof or make any investment therein either by purchase of shares or securities, contributions of capital or property transfer; (v) acquire any assets with an acquisition cost in excess of \$100,000; (vi) incur any indebtedness for borrowed money or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise become responsible for, the obligations of any other individual or entity, or make any loans or advances, other than in respect of fees payable to legal, financial and other advisors in the ordinary course of business or as otherwise contemplated in this Agreement or in respect of the Acquisition and which are included in the Prairie Storm Transaction Costs; (vii) authorize, recommend or propose any release or relinquishment of any material contract right; (viii) waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material license, lease, contract, production sharing agreement, government land concession or other material document; (ix) except as agreed with InPlay in writing, enter into or terminate any hedges, swaps or other financial instruments or like transactions; or (x) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;
- (e) neither Prairie Storm nor its subsidiaries shall make any payment to any employee, officer or director outside of their ordinary and usual compensation for services provided other than as contemplated in this Agreement;

- (f) neither Prairie Storm nor its subsidiaries shall adopt or amend or make any contribution to any bonus, employee benefit plan, profit sharing, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, stock purchase plan, fund or arrangement for the benefit of employees, except as is necessary to comply with the Law or with respect to existing provisions of any such plans, programs, arrangements or agreements;
- (g) other than the payment of Prairie Storm Employee Obligations upon completion of the Acquisition, and where such amount is specified in the Prairie Storm Disclosure Letter in accordance with this Agreement, not exceeding the amount so specified, neither Prairie Storm nor its subsidiaries shall:
  - (i) grant any officer, director or employee an increase in compensation in any form; (ii) grant any general salary increase; (iii) take any action with respect to the amendment or implementation of any severance or termination pay policies or arrangements for any directors, officers or employees, except as contemplated herein; (iv) adopt or amend (other than to permit accelerated vesting of currently outstanding Prairie Storm Options) any stock option plan (or any other equity compensation arrangement) or the terms of any outstanding rights thereunder; (v) advance any loan to any officer, director or any other party not at arm's length; (vi) enter into any non-arm's length transactions including with any officers, directors, employees or consultants of Prairie Storm or its subsidiaries or transfer any property or assets of Prairie Storm or its subsidiaries to any directors, officers, employees or consultants; (vii) reimburse or approve or authorize the reimbursement of any expenses (other than those incurred in the ordinary course of business consistent with past practices) of any officer, employee or consultant of Prairie Storm or its subsidiaries; (viii) make payment or resolve to make payment of any bonuses, other than the retention payments set forth in the Prairie Storm Disclosure Letter; or (ix) enter into any consulting or contract operating agreement that cannot be terminated on 30 days or less notice without penalty or termination payment;
- (h) Prairie Storm shall not take any action that would render, or may reasonably be expected to render, any representation or warranty made by Prairie Storm in this Agreement misleading or untrue in any material respect at any time prior to completion of the Acquisition or termination of this Agreement, whichever first occurs;
- (i) Prairie Storm shall promptly notify InPlay in writing of any material change (actual, anticipated, contemplated or, to the knowledge of Prairie Storm threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, or of any change in any representation or warranty provided by Prairie Storm in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and Prairie Storm shall in good faith discuss with InPlay any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Prairie Storm threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to InPlay pursuant to this provision;
- (j) Prairie Storm will promptly provide to InPlay, for review by InPlay and its counsel, prior to filing or issuance thereof, any proposed public disclosure document, including any news release or material change report, subject to Prairie Storm's obligations under Applicable Canadian Securities Laws to make continuous disclosure and timely disclosure of material information, and InPlay agrees to keep such information confidential until it is filed as part of the Prairie Storm Public Record;
- (k) Prairie Storm shall use its reasonable commercial efforts to obtain the written consent of its bankers, creditors, lessors and any other third parties to the extent required to permit the consummation of

the Acquisition or as otherwise contemplated hereby and shall provide a copy of each such consent to InPlay on or prior to the Effective Date, provided that nothing in this subsection shall require Prairie Storm to make any payments to obtain any of the consents referred to above in this Section 3.2(k);

- (l) each of Prairie Storm and its subsidiaries shall use its reasonable commercial efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing providing coverage equivalent to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect and shall pay all premiums in respect of such insurance policies that become due prior to the Effective Date;
- (m) Prairie Storm shall not make any amendments to the terms of the outstanding Prairie Storm Options, other than, if required, to permit the acceleration of vesting of currently outstanding Prairie Storm Options in accordance with the terms of this Agreement;
- (n) Prairie Storm shall use reasonable commercial efforts to cause the resignation of its directors at the Effective Time;
- (o) Prairie Storm shall use reasonable commercial efforts to secure resignations and mutual releases, in a form and substance satisfactory to InPlay, acting reasonably, from each director of Prairie Storm who will not form part of the InPlay Board after the Effective Time and use reasonable commercial efforts to secure releases (in the case of officers, mutual releases), in a form and substance satisfactory to InPlay, acting reasonably, from each officer and employee of Prairie Storm and Prairie Storm Energy Corp. who has received or will receive a severance or change of control payment as a result of the Acquisition;
- (p) Prairie Storm shall withhold from each payment to be made to any of its present or former employees (which includes officers) and directors and to all other Persons including all Persons who are non-residents of Canada for the purposes of the Tax Act, all amounts that are required to be so withheld under any Applicable Laws and Prairie Storm shall remit such withheld amounts to the proper Governmental Authority within the times prescribed by such Applicable Laws;
- (q) Prairie Storm shall ensure that it has available funds under its lines of credit or other bank facilities to make, within the time periods contemplated herein, the payment of the InPlay Termination Fee having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount when required;
- (r) Prairie Storm shall use its reasonable commercial efforts to obtain the written consent of any third parties as are required, if any, for the consummation of the Acquisition or as otherwise contemplated hereby;
- (s) Prairie Storm shall indemnify and save harmless InPlay and its Representatives from and against any and all liabilities, Claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which InPlay, or any Representative thereof, may be subject or which InPlay, or any Representative thereof, may suffer, whether under the provisions of any Law or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:

- (i) any misrepresentation or alleged misrepresentation by Prairie Storm in the Circular;
- (ii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the Circular, which prevents or restricts the trading in the Prairie Storm Shares; or
- (iii) Prairie Storm not complying with any requirement of Applicable Laws in connection with the transactions contemplated in this Agreement,

except that Prairie Storm shall not be liable in any such case to the extent that any such liabilities, Claims, demands, losses, costs, damages and expenses arise out of, or are caused by, any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the Circular that is based solely on the InPlay Information included in the Circular;

- (t) Prairie Storm shall provide to InPlay all such information respecting its operations and affairs as may be reasonably requested from time to time by InPlay;
- (u) Prairie Storm shall maintain its status as a "reporting issuer" (or the equivalent thereof) in all provinces of Canada where it is a reporting issuer at the date of this Agreement, maintain the listing of the Prairie Storm Shares on the TSXV and remain in material compliance with Applicable Canadian Securities Laws;
- (v) except for proxies and other non-substantive communications with the holders of Prairie Storm securities, Prairie Storm will furnish promptly to InPlay or InPlay's counsel, a copy of each notice, report, schedule or other document delivered, filed or received by Prairie Storm in connection with: (i) the Acquisition; (ii) any filings under Applicable Laws in connection with the transactions contemplated hereby; and (iii) any dealings with any Governmental Authority in connection with the transactions contemplated hereby;
- (w) Prairie Storm shall, on an as received basis, promptly advise InPlay of the number of Prairie Storm Shares for which Prairie Storm receives notices of dissent or written objections to the Acquisition and provide InPlay with copies of such notices and written objections;
- (x) Prairie Storm shall prepare or cause to be prepared and timely filed all Tax Returns required to be filed by it and its subsidiaries for all taxable periods ending before the Effective Date which are required to be filed before the Effective Date. Such Tax Returns shall be (i) true, complete and correct in all material respects; and (ii) prepared in a manner consistent with practices followed in prior years with respect to similar Tax Returns of Prairie Storm and its subsidiaries, as the case may be, except as otherwise required by Applicable Laws;
- (y) Prairie Storm shall and shall cause its subsidiaries to: (i) timely pay all material Taxes which are due and payable unless validly contested; (ii) not file, amend, refile or rescind any Tax Return except as required by Applicable Laws; (iii) not make a request for a Tax ruling, not enter into any agreement with any Governmental Authority with respect to Taxes and not consent to any extension or waiver of any limitation period with respect to Taxes; (iv) not settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes; (v) properly reserve, as required by Applicable Laws and reflect such reserves in its books and records and financial statements and in accordance with past practice and in the ordinary course of

business, for all Taxes accruing in respect of Prairie Storm and its subsidiaries which are not due or payable prior to the Effective Date; and (vi) in a timely manner withhold, collect, remit to the appropriate Governmental Authority and pay all Taxes which are required by Applicable Laws to be withheld, collected, remitted or paid by it and any of its subsidiaries to the extent due and payable;

- (z) Prairie Storm will not, and will cause its subsidiaries not to, directly or indirectly materially reduce the amount or amend the characterization of any of its or its subsidiaries' individual categories of Tax attributes including any of its or its subsidiaries' resource pools or non-capital loss carry forwards, except as required by Applicable Law;
- (aa) Prairie Storm shall use reasonable commercial efforts to preserve intact its business organization, assets, properties and goodwill and maintain satisfactory relationships with suppliers and distributors and others having business relationships with it; and
- (bb) Prairie Storm shall use all reasonable commercial efforts to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all Applicable Laws to complete the Acquisition, in accordance with the terms thereof, including using its reasonable commercial efforts to:
  - (i) obtain all necessary consents, approvals, authorizations and filings as are required to be obtained or made by Prairie Storm under any Applicable Law and to satisfy any condition provided for under this Agreement;
  - (ii) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affect their ability to consummate the Acquisition; and
  - (iii) co-operate with InPlay in connection with the performance by it of its obligations hereunder.

### **3.3 Mutual Covenants Regarding the Acquisition**

From the date hereof until the earlier of the completion of the Acquisition and the termination of this Agreement in accordance with Article 8, each Party shall:

- (a) use its reasonable commercial efforts to complete or assist the other Party in completing, as the case may be, the InPlay Equity Financing, the InPlay Debt Financing and the Acquisition on or before the Outside Date;
- (b) use its reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Acquisition, including using reasonable efforts:
  - (i) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;
  - (ii) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated by this Agreement;

- (iii) to effect all necessary registrations and filings and submission of information requested by Governmental Authorities required to be effected by it in connection with the Acquisition; and
  - (iv) to ensure that the InPlay Shares issuable to the Prairie Storm Shareholders under the Acquisition are issued pursuant to the exemption from the registration requirements of the U.S. Securities Act as provided under section 3(a)(10) thereof;
- (c) use its reasonable commercial efforts to effect all necessary registrations and filings and submissions of information requested by Governmental Authorities or required to be effected or submitted by it in connection with the Acquisition and to obtain all necessary consents, waivers and approvals required to be obtained by it in connection with the Acquisition, and each of InPlay and Prairie Storm will use its reasonable commercial efforts to cooperate with the other in connection with the performance by the other Party of its obligations under this Section 3.3(c) including assisting with the preparation and filing of any applications and continuing to provide reasonable access to information and to maintain ongoing communications as between officers of InPlay and Prairie Storm, subject in all cases to the Confidentiality Agreements; and
- (d) use its reasonable commercial efforts to cooperate with the other Party in connection with the performance by the other Party of its obligations under this Agreement including continuing to provide reasonable access to information and to maintain ongoing communications as between representatives of InPlay and Prairie Storm, subject in all cases to the Confidentiality Agreement.

#### **3.4 Prairie Storm's Covenants Regarding Non-Solicitation**

- (a) Prairie Storm shall immediately cease and cause to be terminated all existing discussions or negotiations (including through any of Representatives), if any, with any third parties (other than InPlay) initiated before the date of this Agreement with respect to any Acquisition Proposal. As and from the date hereof until termination of this Agreement pursuant to Article 8, Prairie Storm shall discontinue providing access to any of its confidential information and not allow or establish further access to any of its confidential information, or any data room, virtual or otherwise and shall (pursuant to and in accordance with each applicable confidentiality agreement) promptly request the return or destruction of all information provided to any third parties that have entered into a confidentiality agreement with Prairie Storm relating to an Acquisition Proposal and shall use reasonable commercial efforts to cause such requests to be honoured.
- (b) Prairie Storm shall not, directly or indirectly, do, or authorize or permit any of its Representatives to do, any of the following:
- (i) solicit, assist or knowingly facilitate, initiate or encourage or take any action to solicit or knowingly facilitate, initiate, entertain or encourage any Acquisition Proposal, or engage in any communication regarding the making of any proposal or offer that constitutes or may constitute or may reasonably be expected to lead to an Acquisition Proposal, including by way of furnishing information;
  - (ii) withdraw or modify, or propose to withdraw or modify, in any manner adverse to InPlay, the approval of the Acquisition by the Prairie Storm Board or the Prairie Storm Board Recommendation;
  - (iii) enter into or participate in any negotiations or any discussions regarding an Acquisition Proposal, or furnish or provide access to any information with respect to its securities,

business, properties, operations or conditions (financial or otherwise) in connection with or in furtherance of an Acquisition Proposal, or otherwise cooperate in any way with, or assist or knowingly participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing;

- (iv) release, waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to release, waive or otherwise forbear in respect of, any rights or other benefits under any confidentiality agreements to which Prairie Storm is a party, including any "standstill provisions" thereunder; or
- (v) accept, recommend, approve, agree to, endorse or propose publicly to accept, recommend, approve, agree to or endorse any Acquisition Proposal;

provided, however, that notwithstanding any other provision hereof, Prairie Storm and its Representatives may:

- (vi) enter into, or participate in, any discussions or negotiations with a third party who (without any solicitation, initiation or encouragement, directly or indirectly, after the date of this Agreement, by Prairie Storm or any of its Representatives) seeks to initiate such discussions or negotiations and, subject to execution of a confidentiality agreement substantially similar to the Confidentiality Agreement dated July 28, 2021 (provided that such confidentiality agreement shall provide for the disclosure thereof, along with the information provided thereunder, to InPlay), may furnish to such third party information concerning Prairie Storm and its business, affairs, properties and assets, in each case if, and only to the extent that:
  - (A) the third party has first made an unsolicited written *bona fide* Acquisition Proposal and the Prairie Storm Board determines in good faith: (1) that funds or other consideration necessary for the consummation of such Acquisition Proposal are available or, in each case as demonstrated to the Prairie Storm Board, acting in good faith, that adequate financing arrangements will be in place to ensure that the third party will have the funds necessary for the consummation of the Acquisition Proposal, if any; (2) after consultation with its financial advisor, that the Acquisition Proposal would or would be reasonably likely to, if consummated in accordance with its terms (but not assuming away any risks of non-completion), result in a transaction financially superior for the Prairie Storm Shareholders than the Acquisition in its current form (including taking into account any modifications to this Agreement proposed by InPlay as contemplated by Section 3.4(d)); and (3) after receiving the advice of outside legal counsel, as reflected in minutes of the Prairie Storm Board, that the taking of such action is necessary for the Prairie Storm Board in the discharge of its fiduciary duties under Applicable Laws (a "**Superior Proposal**"); and
  - (B) prior to furnishing such information to or entering into or participating in any such negotiations or initiating any discussions with such third party, Prairie Storm provides notice to InPlay to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such Person or entity and provides to InPlay the information required to be provided under Section 3.4(d);
- (vii) comply with Division 3 of National Instrument 62-104 — *Take-Over Bids and Issuer Bids* and similar provisions under Applicable Canadian Securities Laws relating to the provision

of directors' circulars and make appropriate disclosure with respect thereto to its securityholders; and

- (viii) withdraw any approval or recommendation contemplated by Section 3.4(b)(ii) and accept, recommend, approve or enter into an agreement to implement a Superior Proposal, but only if prior to such acceptance, recommendation, approval or implementation, Prairie Storm has complied with its obligations set forth in Section 3.4(d) and terminates this Agreement in accordance with Section 8.1(h) and concurrently therewith pays the InPlay Termination Fee in accordance with Section 6.1.
- (c) Prairie Storm shall promptly (and in any event within 24 hours of receipt by Prairie Storm) notify InPlay (at first orally and then in writing) of any Acquisition Proposal (or any amendment thereto) or any request for non-public information relating to Prairie Storm, its assets, or any amendments to the foregoing received by Prairie Storm. Such notice shall include a copy of any written Acquisition Proposal (and any amendment thereto) received by Prairie Storm or, if no written Acquisition Proposal has been received, a description of the material terms and conditions of, and the identity of the Person making any inquiry, proposal, offer or request (to the extent then known by Prairie Storm). Prairie Storm shall also provide such further and other details of the Acquisition Proposal or any amendment thereto as InPlay may reasonably request (to the extent then known by Prairie Storm). Prairie Storm shall keep InPlay fully informed of the status, including any change to material terms, of any Acquisition Proposal or any amendment thereto, shall respond promptly to all reasonable inquiries by InPlay with respect thereto, and shall provide to InPlay copies of all material correspondence and other written material sent to or provided by Prairie Storm by any Person in connection with such inquiry, proposal, offer or request or sent or provided by Prairie Storm to Person in connection with such inquiry, proposal, offer or request.
- (d) Following receipt of a Superior Proposal, Prairie Storm shall give InPlay, orally and in writing, at least 72 hours advance notice of any decision by the Prairie Storm Board to accept, recommend, approve or enter into an agreement to implement a Superior Proposal, which notice shall confirm that the Prairie Storm Board has determined that such Acquisition Proposal constitutes a Superior Proposal, shall identify the third party making the Superior Proposal and shall provide a true and complete copy thereof and any amendments thereto. During the 72 hour period commencing on the delivery of such notice, Prairie Storm agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions (which, for greater certainty, shall not prevent the party making the Superior Proposal from making any Acquisition Proposal to the Prairie Storm Board that is not solicited, initiated, encouraged or knowingly facilitated by Prairie Storm) and shall not withdraw, redefine, modify or change the Prairie Storm Board Recommendation. In addition, during such 72 hour period, Prairie Storm shall, and shall cause its financial and legal advisors to, negotiate in good faith with InPlay and its financial and legal advisors to make such adjustments in the terms and conditions of this Agreement and the Acquisition as would enable Prairie Storm to proceed with the Acquisition, as amended, rather than the Superior Proposal, due to the Acquisition Proposal no longer being a Superior Proposal. In the event InPlay confirms in writing its commitment to amend this Agreement such that the Acquisition Proposal is no longer a Superior Proposal and so advises the Prairie Storm Board prior to the expiry of such 72 hour period, InPlay and Prairie Storm shall enter into an amended version of this Agreement reflecting such proposed amendments prior to the expiry of such 72 hour period and the Prairie Storm Board shall not accept, recommend, approve or enter into any agreement to implement such Superior Proposal and shall not release the party making the Superior Proposal from any standstill provisions (which, for greater certainty, shall not prevent the party making the Superior Proposal from making any Acquisition Proposal to the Prairie Storm Board that is not solicited, initiated, encouraged or knowingly

facilitated by Prairie Storm) and shall not withdraw, redefine, modify or change the Prairie Storm Board Recommendation. Notwithstanding the foregoing, and for greater certainty, InPlay shall have no obligation to make or negotiate any changes to this Agreement in the event that Prairie Storm is in receipt of a Superior Proposal. Prairie Storm acknowledges that each successive material modification of any Superior Proposal shall constitute a new Superior Proposal for purposes of the requirement under this Section 3.4(d) to initiate a new 72 hour notice period.

- (e) Subject to Section 3.4(d), Prairie Storm Board shall reaffirm the Prairie Storm Board Recommendation by news release promptly, and in any event within 72 hours of being requested to do so by InPlay (or in the event that the Prairie Storm Meeting to approve the Acquisition is scheduled to occur within such 72 hour period, prior to the scheduled date of such meeting), in the event that (i) any Acquisition Proposal is publicly announced unless the Prairie Storm Board has determined that such Acquisition Proposal constitutes a Superior Proposal and Prairie Storm has acted in compliance with Section 3.4(b); or (ii) the Parties have entered into an amended agreement pursuant to Section 3.4(d) that results in any Acquisition Proposal not being a Superior Proposal.
- (f) InPlay agrees that all information that may be provided to it by Prairie Storm with respect to any Superior Proposal pursuant to this Section 3.4 shall be treated as if it were "Evaluation Material" as that term is defined in the applicable Confidentiality Agreement and such information shall not be disclosed or used except in accordance with the applicable Confidentiality Agreement or in order to enforce its rights under this Agreement in legal proceedings.
- (g) Each Party shall ensure that its Representatives are aware of the provisions of this Section 3.4. InPlay shall be responsible for any breach of this Section 3.4 by its Representatives and Prairie Storm shall be responsible for any breach of this Section 3.4 by its Representatives.

### **3.5 Access to Information**

- (a) From and after the date hereof until the Effective Time or the termination of this Agreement, Prairie Storm shall, upon reasonable notice, provide InPlay and its representatives access, during normal business hours and at such other time or times as InPlay may reasonably request, to its premises (including field offices and sites), books, contracts, records, computer systems, properties, employees and management personnel and shall furnish promptly to InPlay all information concerning its business, properties and personnel as InPlay may reasonably request in order to permit InPlay to be in a position to expeditiously and efficiently integrate the business and operations of Prairie Storm with those of InPlay immediately upon but not prior to the Effective Date. From and after the date hereof until the Effective Time or the termination of this Agreement, Prairie Storm agrees to keep InPlay fully apprised in a timely manner of every circumstance, action, occurrence or event occurring or arising after the date hereof that would be relevant and material to a prudent operator of the business and operations of Prairie Storm. From and after the date hereof until the Effective Time or the termination of this Agreement, Prairie Storm shall confer with InPlay prior to taking action (other than in emergency situations) with respect to any material operational matters involved in its business and InPlay representatives may attend and participate in any operations meetings held by Prairie Storm.
- (b) Without limiting the generality of any of the other provisions of this Agreement, Prairie Storm shall make available to InPlay all land, legal, title documents and related files, geologic maps, well files and well logs, books, papers, financial information and pertinent documents or agreements.
- (c) In addition, Prairie Storm agrees to:

- (i) give the legal and professional representatives and agents of InPlay full access to Prairie Storm's books, records and documents, provided that Prairie Storm is satisfied, acting reasonably, that the confidentiality of the subject matter of the disclosure can be maintained in accordance herewith; and
  - (ii) endeavour to include in the information furnished to InPlay, or obtained by InPlay in the course of the aforesaid investigations, all information which would reasonably be considered to be relevant for the purposes of InPlay's investigation and not knowingly withhold any information which would make anything contained in the information delivered erroneous or misleading.
- (d) The Parties acknowledge and agree that all information provided by Prairie Storm to InPlay pursuant to this Section 3.5 shall remain subject to the provisions of the applicable Confidentiality Agreement.
- (e) Nothing in this Section 3.5 shall require Prairie Storm to disclose information that it is prohibited from disclosing pursuant to a written confidentiality agreement or confidentiality provision of an agreement with a third party.

### **3.6 InPlay Financings**

- (a) InPlay shall take, or cause to be taken, all actions as are necessary, proper or advisable to:
- (i) maintain in effect each of the InPlay Credit Facility Commitment Letter and InPlay Equity Financing Agreement in accordance with their respective terms;
  - (ii) satisfy or obtain the waiver of all conditions to funding in the InPlay Credit Facility Commitment Letter applicable to InPlay to enable the consummation of the InPlay Debt Financing at or prior to the Effective Time;
  - (iii) enforce its rights under the InPlay Credit Facility Commitment Letter in the event of a breach by a financing source thereunder that would reasonably be expected to prevent or materially delay the consummation of the Acquisition or the transactions contemplated by the Acquisition; and
  - (iv) complete the InPlay Equity Financing as soon as reasonably practicable following the entering into of this Agreement.
- (b) Upon reasonable request by Prairie Storm, InPlay will provide Prairie Storm with information, in reasonable detail, with respect to the current status of all material activity concerning arranging, obtaining and completion of the InPlay Financings. Without limiting the generality of the foregoing, InPlay shall give Prairie Storm notice as soon as reasonably practical:
- (i) of any act of breach or default of any party to the InPlay Equity Financing Agreement or the InPlay Credit Facility Commitment Letter of which InPlay becomes aware;
  - (ii) of the receipt of any written notice or other communication from the respective financing sources with respect to any act of breach, default, termination or repudiation by any party to the InPlay Financings; and

- (iii) if for any reason InPlay believes in good faith that it will not be able to obtain all or any portion of either InPlay Financing prior to the Outside Date.
- (c) InPlay shall not permit, without the prior written consent of Prairie Storm (such consent not to be unreasonably withheld, conditioned or delayed), any amendment or modification to be made to, or any waiver or release of any provision or remedy to be made under, the InPlay Credit Facility Commitment Letter and InPlay Equity Financing Agreement that would be reasonably expected to prevent or materially delay the consummation of the Acquisition.
- (d) If any portion of the InPlay Financings become unavailable on the terms and conditions contemplated by the InPlay Equity Financing Agreement and InPlay Credit Facility Commitment Letter, as applicable, InPlay shall use its reasonable best efforts to arrange and obtain, as promptly as practicable, alternative financing from alternative sources which alternative financing shall (i) provide for an aggregate commitment amount that is sufficient to enable InPlay to complete the Acquisition and (ii) be subject to such terms and conditions as would not reasonably be expected to prevent or materially delay the consummation of the Acquisition or the transactions contemplated by this Agreement.

### **3.7 Financing Assistance**

- (a) Prairie Storm shall use commercially reasonable efforts to provide and cause its subsidiaries (and to use commercially reasonable efforts to cause its and their representatives) to provide such customary and timely cooperation to InPlay as InPlay may reasonably request in connection with the arrangements by InPlay to complete the InPlay Financings, including:
  - (i) cooperating in respect of presentations or meetings held by or on behalf of InPlay if reasonably requested regarding the InPlay Financings, with such cooperation to include the participation of senior officers in due diligence sessions in respect of the InPlay Financings;
  - (ii) making available to InPlay and its agents and advisors, such reserves and financial information, financial statements or other information as InPlay may reasonably request in connection with the offering materials in respect of the InPlay Equity Financing and assist in the preparation of such materials where reasonably requested;
  - (iii) provide InPlay with any financial information and data required to prepare any pro forma financial statements and with any reserves and operating data, in each case, reasonably required or customarily included in offering materials or extracts therefrom;
  - (iv) cooperating and providing information reasonably required by or for the benefit of the financing sources in the context of due diligence and verification, in compliance with applicable requirements or customary practice; and
  - (v) using reasonable commercial efforts to obtain any necessary cooperation from any of its auditors and other advisors to the use of any financial, reserves or other expert information customarily included in offering materials of this nature including any consents with respect to the inclusion thereof and customary comfort letters, if required under applicable securities laws.
- (b) Prairie Storm acknowledges that in connection with the InPlay Financings, InPlay may, upon reasonable consultation with Prairie Storm, have confidential discussions concerning this Agreement or the Acquisition with such financing sources, prospective lenders and investors and

each of their agents and advisors and that confidential or otherwise non-public information may be provided to such parties, if reasonably required, and Prairie Storm consents to InPlay and its representatives having such discussions and providing such information provided that the Persons to which such information is provided have agreed in writing to keep any applicable confidential information concerning Prairie Storm or its subsidiaries confidential on terms no less protective than those contained in the Confidentiality Agreement dated May 4, 2021.

## ARTICLE 4 REPRESENTATIONS AND WARRANTIES

### 4.1 Representations and Warranties of Prairie Storm

Prairie Storm hereby makes the representations and warranties set out in this Section 4.1 to and in favour of InPlay and acknowledges that InPlay is relying upon such representations and warranties in connection with the matters contemplated by this Agreement.

- (a) **Standing:** It is and each of its subsidiaries is a valid corporation, subsisting under the Laws of its jurisdiction of formation with the necessary corporate power and capacity to conduct its business in the jurisdiction(s) where its assets are located.
- (b) **Registration:** Each of Prairie Storm and its subsidiaries is duly registered to carry on business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a material adverse effect on Prairie Storm.
- (c) **Requisite Authority:** Prairie Storm has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by Prairie Storm of the transactions contemplated hereunder have been duly authorized by the Prairie Storm Board and, subject to the approval of the Acquisition Resolution by Prairie Storm Shareholders and the approval of the Circular and matters relating to the Prairie Storm Meeting by the Prairie Storm Board, no other corporate proceedings on the part of Prairie Storm are necessary to authorize this Agreement or the Acquisition. This Agreement has been duly executed and delivered by Prairie Storm and constitutes a legal, valid and binding obligation of Prairie Storm enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Applicable Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.
- (d) **No Conflicts or Defaults:** Neither the execution and delivery of this Agreement by Prairie Storm, the consummation by Prairie Storm of the transactions contemplated by this Agreement nor compliance by Prairie Storm with any of the provisions hereof will, subject to obtaining the approval of the Prairie Storm Shareholders: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any Encumbrance upon any of the properties or assets of Prairie Storm under, any of the terms, conditions or provisions of (A) the articles or bylaws of Prairie Storm or other constating documents of Prairie Storm or its subsidiaries, or (B) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Prairie Storm or its subsidiaries is a party or to which it, or its properties or assets, may be subject or by which Prairie Storm or its subsidiaries is bound (subject to obtaining the consent of Prairie Storm's lenders); or (ii) violate any judgment,

ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation in Canada applicable to Prairie Storm or its subsidiaries (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations which, or any consents, approvals or notices which if not given or received, would not have any material adverse effect on Prairie Storm or materially impede the ability of Prairie Storm to consummate the transactions contemplated by this Agreement); or (iii) cause a suspension or revocation of any authorization for the consent, approval or license currently in effect which would have a material adverse effect on Prairie Storm.

- (e) **Consents:** Other than in connection with or in compliance with the provisions of Applicable Laws in relation to the completion of the Acquisition, the approval of the TSXV, the consent of Prairie Storm's lender and the obtaining of the approval of the Prairie Storm Shareholders or which are required to be filed post-Acquisition:
- (i) there is no legal impediment to Prairie Storm's consummation of the transactions contemplated by this Agreement; and
  - (ii) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary by Prairie Storm in connection with the consummation of the Acquisition, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not materially impede the ability of Prairie Storm to consummate the transactions contemplated by this Agreement.
- (f) **Subsidiaries:** As at the date hereof, Prairie Storm has no material subsidiaries other than Prairie Storm Energy Corp. and no other equity or ownership interests in any other corporation, partnership or trust other than as disclosed in the Prairie Storm Public Record.
- (g) **Authorized and Issued Share Capital:** Prairie Storm has authorized an unlimited number of Prairie Storm Shares and an unlimited number of preferred shares. As at the date hereof, 147,410,037 Prairie Storm Shares and no preferred shares are issued and outstanding. As of the date hereof, there are no other outstanding securities of Prairie Storm or options, warrants, rights of conversion or exchange privileges or other securities entitling anyone to acquire any securities of Prairie Storm or any other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Prairie Storm of any securities other than 11,675,000 Prairie Storm Options. All outstanding Prairie Storm Shares have been duly authorized and validly issued, and are fully paid and non-assessable and are not subject to, nor have they been issued in violation of, any pre-emptive rights. There are no rights of first refusal or similar rights restricting the issuance or transfer of the Prairie Storm Shares contained in any shareholder, partnership, joint venture or similar agreements that Prairie Storm is a party to or by which it is bound or pursuant to existing financing arrangements of Prairie Storm, and there are no outstanding contractual or other obligations of Prairie Storm to repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any of its outstanding securities.
- (h) **Public Record:** The information and statements set forth in the Prairie Storm Public Record were true, correct, and complete and did not contain any material misrepresentation, as of the date of such information or statements, and Prairie Storm has not filed any material change reports which continue to be confidential.
- (i) **Business of Prairie Storm:**

- (i) Prairie Storm has all requisite power and authority to carry on its businesses as presently conducted.
  - (ii) Except as would not reasonably be expected to create a material adverse effect on Prairie Storm, Prairie Storm is not a party to or bound or affected by any commitment, agreement, judgment, injunction, order, decree or document binding upon Prairie Storm, containing any covenant expressly prohibiting, restricting or limiting its freedom or ability to: (A) compete in any line of business or geographic region; (B) transfer or move any of its assets or operations; or (C) conduct any business practice of Prairie Storm, as now conducted; or (D) effect any acquisition or disposition of property by Prairie Storm (including following the Acquisition).
- (j) **Conduct of Business:** Since June 30, 2021:
- (i) there has not been any material adverse change respecting Prairie Storm from the position set forth in the Prairie Storm Financial Statements;
  - (ii) there have been no material facts, transactions, events or occurrences which, to the knowledge of Prairie Storm, could reasonably be expected to result in a material adverse change respecting Prairie Storm;
  - (iii) each of Prairie Storm and its subsidiaries has conducted its business only in the ordinary and normal course, consistent with past practice; and
  - (iv) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to Prairie Storm has been incurred by Prairie Storm or its subsidiaries other than in the ordinary and normal course of business, consistent with past practice.
- (k) **No Lawsuits or Claims:** As of the date of this Agreement, it has not received notice of any Claims in existence, contemplated, nor, to its knowledge, pending or threatened against it to seek to prevent the consummation of the Acquisition.
- (l) **Proceedings:** There are no material actions, suits, proceedings or investigations pending or, to the knowledge of Prairie Storm, threatened, affecting or that would reasonably be expected to affect Prairie Storm or any of its subsidiaries or any of its properties or assets at law or equity or before or by any court or Governmental Authority which action, suit, proceeding or investigation involves a reasonable possibility of any judgment against or liability of Prairie Storm or any of its subsidiaries. None of Prairie Storm or any of its subsidiaries is subject to any outstanding order, writ, injunction or decree that has had or would have a material adverse effect on Prairie Storm or would significantly impede the ability of Prairie Storm to consummate the Acquisition.
- (m) **Compliance with Anti-Corruption Legislation:** It and its subsidiaries have not directly or indirectly, (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any Governmental Authority, authority or instrumentality of any jurisdiction or (ii) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the U.S. *Foreign Corrupt Practices Act of 1977*, as amended, or the *Corruption of Foreign Public Officials Act (Canada)*, or the rules and regulations promulgated thereunder or under any other applicable legislation of any jurisdiction covering a similar subject matter.

- (n) **Compliance with Anti-Money Laundering Laws:** Its operations and the operations of its subsidiaries are, and have been conducted at all times, in compliance with applicable financial recordkeeping and reporting requirements and applicable money laundering laws and no action, suit or proceeding by or before any court, Governmental Authority or arbitrator involving it or any of its subsidiaries with respect to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) or the rules and regulations promulgated thereunder or under any other applicable legislation of any jurisdiction covering a similar subject matter, is pending or, to its knowledge, threatened.
- (o) **Broker:** Except as set forth in the Prairie Storm Disclosure Letter, Prairie Storm has not retained any financial advisor, broker, agent or finder, or paid or agreed to pay or have InPlay pay any financial advisor, broker, agent or finder on account of this Agreement or the Acquisition, any transaction contemplated hereby or any transaction presently ongoing or contemplated. Prairie Storm has delivered to InPlay true and current copies of all agreement(s) between Prairie Storm and such financial advisers which could give rise to the payment of any fees to such financial advisers and such agreement(s) accurately reflect the fees payable to such financial advisers as itemized in the Prairie Storm Disclosure Letter.
- (p) **Minute Books:** The corporate records and minute books, books of account and other records of Prairie Storm (whether of a financial or accounting nature or otherwise) and its subsidiaries have been maintained in accordance with, in all material respects, all applicable statutory requirements and prudent business practice and will be complete and accurate in all material respects as at the Effective Date.
- (q) **Guarantees:** Other than the indemnification of directors and officers of Prairie Storm pursuant to Applicable Laws, the corporate by-laws, customary indemnities in favour of Prairie Storm's bankers and the financial advisors and agreements entered into in the ordinary course of business, including letters of credit issued pursuant to, liabilities, and performance obligations under, the Marketing and Midstream Agreements, or as may be imposed on Prairie Storm in its capacity as a working interest owner under any of its leases and other title and operating documents or pursuant to Applicable Laws upon the default or insolvency of a third party working interest owner, Prairie Storm has not guaranteed, endorsed, assumed, indemnified or accepted any responsibility for, and does not and will not guarantee, endorse, assume, indemnify or accept any responsibility for, contingently or otherwise, any Indebtedness or the performance of any obligation of any other Person.
- (r) **Shareholder Agreements etc.:** Except as disclosed in the Prairie Storm Disclosure Letter:
- (i) there are no unanimous shareholder agreements and, to its knowledge, there are no shareholders' agreements, voting agreements, investors' rights agreements or other agreements in force or effect as of the date hereof or will be on the Effective Date which in any manner affects or will affect the voting or control of any of its securities or that materially affects or materially will affect the control of Prairie Storm; and
  - (ii) there are no rights of first refusal or similar rights restricting the issuance or transfer of the Prairie Storm Shares contained in any shareholder, partnership, joint venture or similar agreements that Prairie Storm is a party to or by which it is bound or pursuant to existing financing arrangements of Prairie Storm and, there are no outstanding contractual or other obligations of Prairie Storm to repurchase, redeem or otherwise acquire any of its securities.

- (s) **Confidentiality Agreements:** All agreements entered into by Prairie Storm with Persons other than InPlay regarding the confidentiality of information provided to such Persons or reviewed by such Persons with respect to the sale of Prairie Storm or a substantial portion of its assets or any other acquisition or similar transaction with any other party pursuant to which Prairie Storm has provided confidential information to such other parties are in substantially the form of the Confidentiality Agreement dated May 4, 2021 and Prairie Storm has not, as at the date hereof, waived the standstill or other provisions of any such agreements.
- (t) **Related Party Transactions:** No director, officer, insider or other non-arm's length party to Prairie Storm or its subsidiaries (or any associate or affiliate thereof) has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, carried interest, participation interest or any other interest whatsoever which are based on production from or in respect of any properties of Prairie Storm or its subsidiaries. No director, officer, insider or other non-arm's length party of Prairie Storm or its subsidiaries is indebted to Prairie Storm or its subsidiaries.
- (u) **Employee Matters:**
- (i) Other than the Prairie Storm Employee Obligations as disclosed in the Prairie Storm Disclosure Letter, there are no payments owing or that will become owing in connection with, and on or prior to completion of, the Acquisition to directors, officers, employees and consultants (not including financial advisors) of Prairie Storm or its subsidiaries under any contract settlements, bonus plans, equity or non-equity incentive compensation plans, retention arrangements, change of control agreements or severance obligations (whether resulting from termination or alteration of duties).
  - (ii) The Prairie Storm Disclosure Letter sets forth a correct and complete list (the "**Employment Information**") of each employee, director, independent contractor and consultant of Prairie Storm and its subsidiaries who currently provides services to Prairie Storm or its subsidiaries, whether actively at work or not and, where applicable, their salaries, wage rates, commissions and consulting fees, bonus arrangements, benefits, positions, status as full-time or part-time employees, location of employment, length of service and expected change of control and/or severance payment. Except as set out in the Employment Information, no such Person has any agreement as to length of notice or severance payment required to terminate his or her employment, other than such as results by Applicable Laws from the employment of an employee without an agreement as to notice of termination or severance.
  - (iii) Prairie Storm and its subsidiaries are in material compliance with all Applicable Laws with respect to employment standards, occupational health and safety, human rights and workers' compensation and there are no Claims or, to the knowledge of Prairie Storm, threatened Claims against Prairie Storm or its subsidiaries by or on behalf of or relating to any employee or contractor or former employee or contractor of Prairie Storm or its subsidiaries, including any Claims relating to employment standards, occupational health and safety, human rights, or workers' compensation or any other employment related matter arising under Applicable Laws.
  - (iv) Other than Prairie Storm Energy Corp., none of the Prairie Storm subsidiaries have any employees, independent contractors or consultants.
  - (v) No employee of Prairie Storm or its subsidiaries is on a leave of absence other than a regularly scheduled vacation.

- (vi) There are no outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workers' compensation legislation relating to current or former employees and contractors of Prairie Storm or its subsidiaries, and all workers' compensation premiums in respect of the employees of Prairie Storm and its subsidiaries have been paid as of the date hereof.
- (vii) To the knowledge of Prairie Storm, all individuals who are or were performing consulting or other services for Prairie Storm or its subsidiaries are or were correctly classified under all Applicable Laws as either "independent contractors" or "employees" as the case may be, and neither Prairie Storm nor any of its subsidiaries have received any notice from any Governmental Authority disputing such classification.
- (viii) There is no collective agreement, letter of understanding or other legally binding commitment with or to any labour union, trade union or employee organization or group which might qualify as a trade union with respect to the employees of Prairie Storm or its subsidiaries.
- (ix) As of the date hereof, there is no strike, labour dispute, work slowdown or work stoppage ongoing or to Prairie Storm's knowledge threatened against Prairie Storm by employees or contractors of Prairie Storm or its subsidiaries, nor has there been any such strike, labour dispute, work slowdown or work stoppage within the last three years. Neither Prairie Storm nor its subsidiaries are currently engaged in any labour negotiation that may be expected to have a material adverse effect.
- (x) With respect to any employee, consultant or contractor of Prairie Storm or its subsidiaries whose employment or relationship has been terminated within two years prior to the date hereof, all amounts owing have been paid and to the knowledge of Prairie Storm, no such former employee, consultant or contractor has any legal basis to make any claim for further payment, whether in respect of salary, benefits, severance or termination payment or otherwise.
- (xi) The Employment Information lists all material written and oral benefit plans for the benefit of the current and former employees, officers or directors of Prairie Storm and its subsidiaries that are currently maintained, sponsored or funded by Prairie Storm or its subsidiaries for the benefit of its employees whether funded or unfunded, insured or self-insured, registered or unregistered, other than plans established pursuant to statute (collectively the "**Prairie Storm Benefit Plans**").
- (xii) Prairie Storm has furnished to InPlay copies of all Prairie Storm Benefit Plans, together with current employee booklets and, where applicable, related trust or other funding agreements and actuarial reports most recently filed with the applicable Governmental Authority.
- (xiii) Except as would not reasonably be likely to result in a material adverse effect, each Prairie Storm Benefit Plan has been administered and funded in accordance with all Applicable Laws and the terms of the applicable Prairie Storm Benefit Plan.
- (xiv) Except as required by Applicable Laws or as may occur in the ordinary course of business,
  - (i) no amendments or improvements to any Prairie Storm Benefit Plan have been promised by Prairie Storm or any of its subsidiaries to any employees that are still outstanding; and
  - (ii) no amendments or improvements to any Prairie Storm Benefit Plan will be made or

promised by Prairie Storm or any of its subsidiaries to any employees prior to the Effective Time.

- (v) **Insurance:** Prairie Storm is insured against all such losses and risks and in such amounts as are prudent and customary in the oil and gas exploration and production business in the jurisdictions in which it operates; all policies of insurance insuring Prairie Storm or its businesses, assets, employees, officers and directors are in full force and effect. Prairie Storm is not in default with respect to any of the provisions contained in any such insurance policy and has not failed to give any notice or present any material claim under any such insurance policy in due and timely fashion.
- (w) **Taxes:** Except as provided for in the Prairie Storm Financial Statements or as otherwise disclosed in the Prairie Storm Disclosure Letter:
  - (i) Prairie Storm and each of its subsidiaries is a taxable Canadian corporation for purposes of the Tax Act;
  - (ii) Prairie Storm and each of its subsidiaries has, and on the Effective Date will have, duly and on a timely basis prepared and filed all Tax Returns required to be filed by it, and such Tax Returns are, or will be, true, complete and correct in all material respects;
  - (iii) Prairie Storm and each of its subsidiaries has duly and timely paid all material Taxes, including all instalments on account of Taxes for the current year that are due and payable by it whether or not assessed by the appropriate Governmental Authority;
  - (iv) Prairie Storm and each of its subsidiaries has withheld from any amount paid or credited to any Person, including its officers and directors and any non resident of Canada, the amount of all Taxes required by Applicable Laws to be withheld from any amount and duly and in a timely manner remitted the same to the appropriate Governmental Authority;
  - (v) there are no material Encumbrances (other than Permitted Encumbrances) on any of the assets of Prairie Storm and any of its subsidiaries for unpaid Taxes (other than in respect of Taxes not yet due and payable);
  - (vi) all Tax Returns and all material written communications to or from any Governmental Authority relating to the Taxes of Prairie Storm and its subsidiaries that have been made available to InPlay, were true, correct and complete in all material respects;
  - (vii) none of sections 78, 80, 80.01 to 80.04, 160 or 191.3 of the Tax Act, or any equivalent provision of the Tax legislation of any province or any other jurisdiction, have applied or will apply to Prairie Storm at or any of its subsidiaries any time up to and including the Effective Date;
  - (viii) neither Prairie Storm nor any of its subsidiaries has breached any flow-through share agreement to which it is a party in respect of the issuance of flow-through shares (as defined in the Tax Act) and none of Prairie Storm or any of its subsidiaries has any outstanding obligations to incur and/or renounce Canadian exploration expenses or Canadian development expenses (all as defined in the Tax Act) which it covenanted to incur and renounce nor has any Governmental Authority or Prairie Storm reduced any amount renounced by Prairie Storm or any of its subsidiaries pursuant to subsection 66(12.73) of the Tax Act;

- (ix) Prairie Storm and each of its subsidiaries has collected all amounts on account of any sales or transfer Taxes, including goods and services, harmonized sales and provincial or territorial sales Taxes, required by Applicable Laws to be collected by it and has duly and timely remitted to the appropriate Governmental Authority any such amounts required by Applicable Laws to be remitted by it;
  - (x) there are no matters that are the subject of any audit, investigation, objection, appeal, legal proceedings or agreement with any Governmental Authority relating to claims for Taxes now in progress, pending or threatened against Prairie Storm or any of its subsidiaries in respect of Taxes;
  - (xi) there are no agreements, waivers or other arrangements providing for an extension of time with respect to the assessment or reassessment of any Tax or the filing of any Tax Returns or Tax elections by, or the payment of any Tax by, Prairie Storm or any of its subsidiaries;
  - (xii) neither Prairie Storm nor any of its subsidiaries has any balance in their low rate income pool within the meaning of subsection 89(1) of the Tax Act; and
  - (xiii) except as would not reasonably be likely to result in a material adverse effect, all subsidies, government assistance and Tax refunds, including in respect of COVID-19, claimed or received by Prairie Storm and each of its subsidiaries, including, for greater certainty, under section 125.7 and subsection 153(1.02) of the Tax Act, were claimed and received in accordance with Applicable Laws.
- (x) **Material Agreements:** Other than this Agreement, Prairie Storm has not entered into any material agreements which are required to be filed by Prairie Storm under National Instrument 51-102 – *Continuous Disclosure Obligations*, except for those agreements which have been so filed by Prairie Storm.
- (y) **Absence of Undisclosed Liabilities:** Prairie Storm has no material obligations or liabilities of any nature (matured or unmatured, fixed or contingent), other than:
- (i) those set forth or adequately provided for in the most recent statement of financial position and associated notes thereto included in the Prairie Storm Financial Statements (the "**Prairie Storm Balance Sheet**");
  - (ii) those incurred in the ordinary course of business and not required to be set forth in the Prairie Storm Balance Sheet under IFRS;
  - (iii) those disclosed in the Prairie Storm Disclosure Letter and incurred in the ordinary course of business since the date of the Prairie Storm Balance Sheet and consistent with past practice; and
  - (iv) those incurred in connection with the execution of this Agreement.
- (z) **Certain Contracts and Agreements:** As of the date hereof, Prairie Storm is not a party to any Contract or agreement to merge or consolidate with any other Person, to acquire substantially all of the assets or shares of any other Person or to sell all or any material part of its assets or properties.

- (aa) **Off-Balance Sheet Arrangements:** Prairie Storm (on a consolidated basis) is not a party to any off-balance sheet arrangements, as that term is understood under IFRS that would in aggregate have a material adverse effect on Prairie Storm.
- (bb) **Title to Assets:** Although Prairie Storm does not warrant title to any of its assets, it does represent and warrant that:
- (i) it does not have reason to believe that Prairie Storm does not have title to or the irrevocable right to produce and sell its petroleum, natural gas and related hydrocarbons (for the purposes of this clause, the foregoing are referred to as the "**Prairie Storm Interests**") and does represent and warrant that, to the knowledge of Prairie Storm, the Prairie Storm Interests are free and clear of adverse claims (other than Permitted Encumbrances) created by, through or under Prairie Storm, except as disclosed in the Prairie Storm Public Record, related to bank financing or those arising in the ordinary course of business, and, to the knowledge of Prairie Storm, Prairie Storm holds the Prairie Storm Interests under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements, except where the failure to so hold the Prairie Storm Interests would not have a material adverse effect upon Prairie Storm; and
  - (ii) it is not aware of any defects, failures or impairments in the title of Prairie Storm to its oil and natural gas properties, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a material adverse effect on: (i) the quantity and pre-tax present worth values of the oil and natural gas reserves of Prairie Storm shown in the Prairie Storm Reserves Report; (ii) the current production of Prairie Storm; or (iii) the current cash flow of Prairie Storm.
- (cc) **Reserves Report:** Prairie Storm has no reason to believe that the Prairie Storm Reserves Report was not accurate in all material respects as at the effective date of such report, and, except for any impact of changes in commodity prices, which may or may not be material, Prairie Storm has no knowledge of a material adverse change in the production, costs, reserves, estimates of future net production revenues or other relevant information from that disclosed in the Prairie Storm Reserves Report. Prairie Storm has provided to Sproule all material information concerning land descriptions, well data, facilities and infrastructure, ownership and operations, future development plans and historical technical and operating data respecting the principal oil and natural gas assets of Prairie Storm, in each case as at the effective date of such report, and, in particular, all material information respecting the interests of Prairie Storm in its principal oil and natural gas assets and royalty burdens and net profits interest burdens thereon and such information was, to the knowledge of Prairie Storm, accurate and correct in all material respects as at the respective dates thereof and did not omit any information necessary to make any such information provided not misleading as at the respective dates thereof and there has been no material adverse change in any of the material information so provided since the date thereof.
- (dd) **Processing and Transportation Commitments:** The Prairie Storm Disclosure Letter contains a complete and accurate list of all of the third party processing and transportation agreements of Prairie Storm which cannot be terminated within 90 days or less without a material penalty. Other than as set forth in the Prairie Storm Disclosure Letter, Prairie Storm has no material third party processing or transportation agreements or any obligations to deliver sales volumes to any other Person which cannot be terminated in 90 days or less without a material penalty.
- (ee) **Receipt of Revenues:** To the knowledge of Prairie Storm, Prairie Storm has been receiving the share of the net proceeds of production from its assets attributable to its interest in such assets and

no Person has provided Prairie Storm with written notice of, nor does Prairie Storm have any knowledge of, a Claim by any Person that Prairie Storm is not entitled to such amounts, with the possible exception of: (i) Claims of accounting errors which do not challenge the percentage share of revenues to which it is entitled and which are not material; and (ii) Claims subject to resolution through insolvency, receivership, or bankruptcy proceedings involving third parties.

- (ff) **Outstanding AFEs:** Except as disclosed in the Prairie Storm Disclosure Letter, there is no authorization for expenditure, cash call or similar approval approved by Prairie Storm pursuant to which Prairie Storm will be obliged to a third party to make or advance money in respect of expenditures with respect to Prairie Storm's assets or properties, Prairie Storm's outstanding share of which is reasonably expected to exceed one hundred thousand dollars (\$100,000).
- (gg) **Seismic:** All fees in respect of seismic and well data (including those payable on a change of control or transfer) in respect of which Prairie Storm (or the relevant operator) has a licence, that were payable prior to the date hereof have been duly paid.
- (hh) **Environmental:** Except as disclosed in the Prairie Storm Disclosure Letter, as at the date of this Agreement:
  - (i) Prairie Storm and its subsidiaries have not received any orders or directives that relate to Environmental matters in respect of any of their assets from any Governmental Authority under any Environmental Law that require any material work, repairs, construction or capital expenditures with respect to such assets operated by Prairie Storm or its subsidiaries where such orders or directives have not been complied with in all material respects;
  - (ii) Prairie Storm and its subsidiaries have not received any demands or notices from any Governmental Authority issued under any Environmental Law with respect to the material breach of any Environmental Law applicable to the assets operated by Prairie Storm or its subsidiaries including in respect of a Release, the use, storage, treatment, transportation, handling or disposition of Environmental contaminants, or the protection of the Environment, which demand or notice remains outstanding on the date hereof and would require material expenditures to remedy;
  - (iii) to the knowledge of Prairie Storm, except to the extent that any violation or other matter referred to in this subparagraph does not have a material adverse effect on Prairie Storm, in respect of Prairie Storm and its subsidiaries:
    - (A) it is not in violation of any Environmental Laws;
    - (B) it has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
    - (C) it has not failed to report to the proper federal, provincial, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign the occurrence of any event which is required to be so reported by any Environmental Law; and
    - (D) it holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect, and

except for notifications and conditions of general application to assets of reclamation obligations under legislation in any jurisdiction in which it conducts its business, neither Prairie Storm nor its subsidiaries has received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any license, permit or approval issued pursuant thereto, or that any license, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated.

(ii) **Major Facilities:** To Prairie Storm's knowledge, Prairie Storm has good and valid title to, or a valid and enforceable leasehold interest in, its material facilities and infrastructure.

(jj) **Tangible Property:** The tangible depreciable property used or intended for use in connection with the oil and natural gas assets of Prairie Storm and its subsidiaries:

(i) for which Prairie Storm or its subsidiaries was or is operator, was or has been constructed, operated and maintained in accordance with good and prudent oil and natural gas industry practices in Canada and all Applicable Laws during all periods in which Prairie Storm or its subsidiaries was operator thereof and is in good condition and repair, ordinary wear and tear excepted, and is useable in the ordinary course of business; and

(ii) for which Prairie Storm or its subsidiaries was not or is not operator, to the knowledge of Prairie Storm, was or has been constructed, operated and maintained in accordance with good and prudent oil and natural gas industry practices in Canada and all Applicable Laws during all periods in which none of Prairie Storm or its subsidiaries was operator thereof and is in good condition and repair, ordinary wear and tear excepted, and is useable in the ordinary course of business,

except to the extent that such non-compliance with prudent oil and natural gas industry practices or Applicable Laws would not in the aggregate have a material adverse effect on Prairie Storm.

(kk) **No Areas of Mutual Interest or Purchase Rights:**

(i) there are no active areas of mutual interest provisions or areas of exclusion in any of the Contracts or otherwise to which any of Prairie Storm's assets are subject; and

(ii) there are no rights of first refusal, pre-emptive purchase rights or similar rights applicable to any of Prairie Storm's assets that apply to or are triggered as a result of the Acquisition,

that would in the aggregate have a material adverse effect on Prairie Storm.

(ll) **Take or Pay and Offset Obligations:**

(i) Prairie Storm has no take or pay obligations;

(ii) Prairie Storm has not received any offset notices under the terms of any lease that remain outstanding in any material respect; and

(iii) Prairie Storm has not received any advance payments for petroleum or services not already delivered or provided prior to receipt of payment,

that would in the aggregate have a material adverse effect on Prairie Storm.

- (mm) **Swaps:** Except as disclosed in the Prairie Storm Financial Statements or the Prairie Storm Disclosure Letter, Prairie Storm does not currently have outstanding Derivative Contracts that would in the aggregate have a material adverse effect on Prairie Storm.
- (nn) **Royalties Paid:** To the knowledge of Prairie Storm and except to the extent that the failure to pay would not in the aggregate have a material adverse effect on Prairie Storm, all royalties payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any direct or indirect assets have been: (i) duly paid in a timely manner; (ii) duly performed; or (iii) provided for in the accounts of Prairie Storm.
- (oo) **Joint Venture or Royalty Audits:** There are no ongoing (i) joint venture audits by a third party, or (ii) royalty audits by any owner that would individually or in aggregate have a material adverse effect on Prairie Storm.
- (pp) **Possession of Necessary License and Permits:** Prairie Storm has obtained and is in compliance with all material licences, permits, approvals, certificates, consents, orders, grants, procedures, standards and other authorizations of or from any Governmental Authority that are applicable to or held by Prairie Storm, or are necessary to conduct its business as it is now being conducted, and all such licences, permits, approvals, certificates, consents, orders, grants, procedures, standards and other authorizations are valid and subsisting.
- (qq) **Production Allowables:** None of the wells in which Prairie Storm or its subsidiaries holds an interest has been produced in excess of applicable production allowables imposed by any Applicable Laws or any Governmental Authority and Prairie Storm does not have any knowledge of any impending change in production allowables imposed by any Applicable Law or any Governmental Authority that may be applicable to any of the wells in which any of them holds an interest, other than changes of general application in the jurisdiction in which such wells are situated except to the extent that such non-compliance or changes would not in the aggregate have a material adverse effect on Prairie Storm.
- (rr) **Production Penalties:** Neither Prairie Storm nor its subsidiaries have received notice of any production penalty or similar production restriction of any nature imposed or to be imposed by any Governmental Authority and, to Prairie Storm's knowledge, none of the wells in which either of them holds an interest is subject to any such penalty or restriction except to the extent that any such penalty or restriction would not have a material adverse effect on Prairie Storm.
- (ss) **Leases and Title Documents:**
  - (i) As of the date hereof, neither Prairie Storm nor its subsidiaries has received notice of any default under any of the leases and other title and operating documents or any other agreement or instrument pertaining to its oil and natural gas assets to which it is a party or by or to which it or any such assets are bound or subject except to the extent that such defaults would not in the aggregate have a material adverse effect on Prairie Storm.
  - (ii) To the knowledge of Prairie Storm:
    - (A) Each of Prairie Storm and its subsidiaries is in good standing under all, and is not in default under any; and

- (B) there is no existing condition, circumstance or matter which constitutes or which, with the passage of time or the giving of notice, would constitute a default under any,

leases and other title and operating documents or any other agreements and instruments pertaining to its oil and natural gas assets to which it is a party or by or to which it or such assets are bound or subject and, to the knowledge of Prairie Storm, all such leases, title and operating documents and other agreements and instruments are in good standing and in full force and effect and none of the counterparties to such leases, title and operating documents and other agreements and instruments is in default thereunder except to the extent that such defaults would not in the aggregate have a material adverse effect on Prairie Storm.

- (tt) **Financial Statements:** The Prairie Storm Financial Statements fairly present, in accordance with IFRS, the financial position and condition of Prairie Storm at the dates thereof and the results of the operations of Prairie Storm for the periods then ended and reflect in accordance with IFRS, all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Prairie Storm as at the dates thereof and have been prepared in conformity with IFRS applied on a consistent basis throughout the periods involved.
- (uu) **Transfer Agent:** Computershare Trust Company of Canada has been duly appointed as transfer agent and registrar for Prairie Storm's Shares.
- (vv) **Absence of Restrictions by Securities Commissions:** No securities commission, stock exchange or similar securities regulatory authority has issued any order which is currently outstanding preventing or suspending trading in any of Prairie Storm's securities and, no such proceeding is, to the knowledge of Prairie Storm, pending or contemplated or threatened.
- (ww) **Listing:** The issued and outstanding common shares of Prairie Storm are listed and posted for trading on the TSXV and Prairie Storm is not in default of its listing requirements on the TSXV in any material respect.
- (xx) **Cease Trade Order:** No securities commission or similar regulatory authority, or stock exchange in Canada has issued any order which is currently outstanding preventing or suspending trading in any securities of Prairie Storm, no such proceeding is, to the knowledge of Prairie Storm, pending, contemplated or threatened and Prairie Storm is not, to its knowledge, in default of any requirement of any Applicable Canadian Securities Laws.
- (yy) **Reporting Issuer:** Prairie Storm is a "reporting issuer" (within the meaning of Applicable Canadian Securities Laws) in British Columbia, Alberta and Ontario and Prairie Storm has not received any correspondence or notice from a securities commission or similar securities regulatory authority in any of the provinces or territories of Canada concerning a review of any of Prairie Storm's continuous disclosure documents in respect of which any matters remain outstanding.
- (zz) **Withheld Information:** To the knowledge of Prairie Storm, Prairie Storm has not withheld from InPlay any material information or documents concerning Prairie Storm, its subsidiaries or their assets or liabilities during the course of InPlay's review of Prairie Storm, its subsidiaries and their assets. No representation or warranty contained in this Agreement or other disclosure document provided or to be provided to InPlay by Prairie Storm pursuant to this Agreement contains or will contain any untrue statement of a material fact or omits to state a material fact which is necessary in order to make the statements herein or therein not misleading.

- (aaa) **Net Debt:** As at July 31, 2021, the Prairie Storm Net Debt did not exceed the amount disclosed in the Prairie Storm Disclosure Letter.
- (bbb) **Prairie Storm Transaction Costs:** Prairie Storm has disclosed in the Prairie Storm Disclosure Letter Prairie Storm's *bona fide* good faith estimate of each component of the Prairie Storm Transaction Costs.

#### 4.2 Representations and Warranties of InPlay

InPlay hereby makes the representations and warranties set out in this Section 4.2 to, and in favour of, Prairie Storm and acknowledges that Prairie Storm is relying upon such representations and warranties in connection with the matters contemplated by this Agreement.

- (a) **Standing:** It is and each of its subsidiaries is a valid corporation, subsisting under the Laws of its jurisdiction of formation with the necessary corporate power and capacity to conduct its business in the jurisdiction(s) where its assets are located.
- (b) **Registration:** Each of InPlay and its subsidiaries is duly registered to carry on business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a material adverse effect on InPlay.
- (c) **Requisite Authority:** InPlay has the requisite corporate authority to enter into this Agreement, the Prairie Storm Support Agreements and the Hold Period Agreements and to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement, the Prairie Storm Support Agreements and the Hold Period Agreements, and the consummation by InPlay of the transactions contemplated hereunder and thereunder, have been duly authorized by the InPlay Board and no other corporate proceedings on the part of InPlay are necessary to authorize this Agreement or the Acquisition. This Agreement and the Prairie Storm Support Agreements have been duly executed and delivered by InPlay and constitute legal, valid and binding obligations of InPlay enforceable against it in accordance with the terms thereof, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Applicable Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.
- (d) **No Conflicts or Defaults:** Neither the execution and delivery of this Agreement by InPlay, the consummation by InPlay of the transactions contemplated by this Agreement nor compliance by InPlay with any of the provisions hereof will: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any Encumbrance upon any of the properties or assets of InPlay under, any of the terms, conditions or provisions of (A) the articles or bylaws of InPlay or other constating documents of InPlay or its subsidiaries, or (B) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which InPlay or its subsidiaries is a party or to which it, or its properties or assets, may be subject or by which InPlay or its subsidiaries is bound (subject to obtaining the consent of InPlay's lenders); or (ii) violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation in Canada applicable to InPlay or its subsidiaries (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations which, or any consents, approvals or notices which if not given or received, would not have any material adverse effect on InPlay or materially impede the

ability of InPlay to consummate the transactions contemplated by this Agreement); or (iii) cause a suspension or revocation of any authorization for the consent, approval or license currently in effect which would have a material adverse effect on InPlay.

- (e) **Consents:** Other than in connection with or in compliance with the provisions of Applicable Laws in relation to the completion of the Acquisition, the approval of the TSX, the consent of InPlay's lenders or which are required to be filed post-Acquisition:
  - (i) there is no legal impediment to InPlay's consummation of the transactions contemplated by this Agreement; and
  - (ii) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary by InPlay in connection with the consummation of the Acquisition, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not materially impede the ability of InPlay to consummate the transactions contemplated by this Agreement.
- (f) **Subsidiaries:** As at the date hereof, InPlay has no subsidiaries and no other equity or ownership interests in any other corporation, partnership or trust other than as disclosed in the InPlay Public Record.
- (g) **Authorized and Issued Share Capital:** InPlay has authorized an unlimited number of InPlay Shares and an unlimited number of preferred shares. As at the date hereof, 68,293,616 InPlay Shares and no preferred shares are issued and outstanding. As of the date hereof, there are no other outstanding securities of InPlay or options, warrants, rights of conversion or exchange privileges or other securities entitling anyone to acquire any securities of InPlay or any other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by InPlay of any securities other than 6,206,450 InPlay Options granted pursuant to the InPlay Option Plan, 950,983 cash settled deferred share units granted pursuant to InPlay's deferred share unit plan and the issuance of securities of InPlay pursuant to the InPlay Equity Financing. All outstanding InPlay Shares have been duly authorized and validly issued, and are fully paid and non-assessable and are not subject to, nor have they been issued in violation of, any pre-emptive rights. There are no rights of first refusal or similar rights restricting the issuance or transfer of the InPlay Shares contained in any shareholder, partnership, joint venture or similar agreements that InPlay is a party to or by which it is bound or pursuant to existing financing arrangements of InPlay and, there are no outstanding contractual or other obligations of InPlay to repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any of its outstanding securities.
- (h) **Public Record:** The information and statements set forth in the InPlay Public Record were true, correct, and complete and did not contain any material misrepresentation, as of the date of such information or statements, and InPlay has not filed any material change reports which continue to be confidential.
- (i) **Business of InPlay:**
  - (i) InPlay has all requisite power and authority to carry on its businesses as presently conducted.

- (ii) Except as would not reasonably be expected to create a material adverse effect on InPlay, InPlay is not a party to or bound or affected by any commitment, agreement, judgment, injunction, order, decree or document binding upon InPlay, containing any covenant expressly prohibiting, restricting or limiting its freedom or ability to: (A) compete in any line of business or geographic region; (B) transfer or move any of its assets or operations; (C) conduct any business practice of InPlay, as now conducted; or (D) effect any acquisition or disposition of property by InPlay (including following the Acquisition).
- (j) **Conduct of Business:** Since June 30, 2021:
- (i) there has not been any material adverse change respecting InPlay from the position set forth in the InPlay Financial Statements;
  - (ii) there have been no material facts, transactions, events or occurrences which, to the knowledge of InPlay, could reasonably be expected to result in a material adverse change respecting InPlay;
  - (iii) each of InPlay and its subsidiaries has conducted its business only in the ordinary and normal course, consistent with past practice; and
  - (iv) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to InPlay has been incurred by InPlay or its subsidiaries other than in the ordinary and normal course of business, consistent with past practice.
- (k) **No Lawsuits or Claims:** As of the date of this Agreement, it has not received notice of any Claims in existence, contemplated, nor, to its knowledge, pending or threatened against it to seek to prevent the consummation of the Acquisition.
- (l) **Proceedings:** There are no material actions, suits, proceedings or investigations pending or, to the knowledge of InPlay, threatened, affecting or that would reasonably be expected to affect InPlay or any of its subsidiaries or any of its properties or assets at law or equity or before or by any court or Governmental Authority which action, suit, proceeding or investigation involves a reasonable possibility of any judgment against or liability of InPlay or any of its subsidiaries. None of InPlay or any of its subsidiaries is subject to any outstanding order, writ, injunction or decree.
- (m) **Compliance with Anti-Corruption Legislation:** It and its subsidiaries have not directly or indirectly, (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any Governmental Authority, authority or instrumentality of any jurisdiction or (ii) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the U.S. *Foreign Corrupt Practices Act of 1977*, as amended, or the *Corruption of Foreign Public Officials Act (Canada)*, or the rules and regulations promulgated thereunder or under any other applicable legislation of any jurisdiction covering a similar subject matter.
- (n) **Compliance with Anti-Money Laundering Laws:** Its operations and the operations of its subsidiaries are, and have been conducted at all times, in compliance with applicable financial recordkeeping and reporting requirements and applicable money laundering laws and no action, suit or proceeding by or before any court, Governmental Authority or arbitrator involving it or any of its subsidiaries with respect to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* or the rules and regulations promulgated thereunder or under any other

applicable legislation of any jurisdiction covering a similar subject matter, is pending or, to its knowledge, threatened.

- (o) **Minute Books:** The corporate records and minute books, books of account and other records of InPlay (whether of a financial or accounting nature or otherwise) and its subsidiaries have been maintained in accordance with, in all material respects, all applicable statutory requirements and prudent business practice and will be complete and accurate in all material respects as at the Effective Date.
- (p) **Guarantees:** Other than the indemnification of directors and officers of InPlay pursuant to Applicable Laws, the corporate by-laws, customary indemnities in favour of InPlay's bankers and the financial advisors and agreements entered into in the ordinary course of business, including letters of credit issued pursuant to, liabilities, and performance obligations under, the Marketing and Midstream Agreements, or as may be imposed on InPlay in its capacity as a working interest owner under any of its leases and other title and operating documents or pursuant to Applicable Laws upon the default or insolvency of a third party working interest owner, InPlay has not guaranteed, endorsed, assumed, indemnified or accepted any responsibility for, and do not and will not guarantee, endorse, assume, indemnify or accept any responsibility for, contingently or otherwise, any Indebtedness or the performance of any obligation of any other Person.
- (q) **Shareholder Agreements etc.:** Other than as disclosed in the InPlay Disclosure Letter:
  - (i) there are no unanimous shareholder agreements and, to its knowledge, there are no shareholders' agreements, voting agreements, investors' rights agreements or other agreements in force or effect as of the date hereof or will be on the Effective Date which in any manner affects or will affect the voting or control of any of its securities or that materially affects or materially will affect the control of InPlay; and
  - (ii) there are no rights of first refusal or similar rights restricting the issuance or transfer of the InPlay Shares contained in any shareholder, partnership, joint venture or similar agreements that InPlay is a party to or by which it is bound or pursuant to existing financing arrangements of InPlay and, there are no outstanding contractual or other obligations of InPlay to repurchase, redeem or otherwise acquire any of its securities.
- (r) **Related Party Transactions:** No director, officer, insider or other non-arm's length party to InPlay or its subsidiaries (or any associate or affiliate thereof) has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, carried interest, participation interest or any other interest whatsoever which are based on production from or in respect of any properties of InPlay or its subsidiaries. No director, officer, insider or other non-arm's length party of InPlay or its subsidiaries is indebted to InPlay or its subsidiaries.
- (s) **Employee Matters:** InPlay is in material compliance with all Applicable Laws respecting employees and service providers, including with respect to employment standards, occupational health and safety, human rights, labour relations and workers' compensation, and there are no outstanding or, to the knowledge of InPlay, threatened Claims against InPlay by or on behalf of any current or former employee or contractor of InPlay.
- (t) **Insurance:** InPlay is insured against all such losses and risks and in such amounts as are prudent and customary in the oil and gas exploration and production business in the jurisdictions in which it operates; all policies of insurance insuring InPlay or its businesses, assets, employees, officers and directors are in full force and effect. InPlay is not in default with respect to any of the provisions

contained in any such insurance policy and has not failed to give any notice or present any material claim under any such insurance policy in due and timely fashion.

- (u) **Taxes:** Except as provided for in the InPlay Financial Statements or as otherwise disclosed in the InPlay Disclosure Letter:
- (i) InPlay is a taxable Canadian corporation for purposes of the Tax Act;
  - (ii) InPlay has, and on the Effective Date will have, duly and on a timely basis prepared and filed all Tax Returns required to be filed by it, and such Tax Returns are, or will be, true, complete and correct in all material respects;
  - (iii) InPlay has duly and timely paid all material Taxes, including all instalments on account of Taxes for the current year that are due and payable by it whether or not assessed by the appropriate Governmental Authority;
  - (iv) InPlay has withheld from any amount paid or credited to any Person, including its officers and directors and any non-resident of Canada, the amount of all Taxes required by Applicable Laws to be withheld from any amount and duly and in a timely manner remitted the same to the appropriate Governmental Authority;
  - (v) there are no material Encumbrances (other than Permitted Encumbrances) on any of the assets of InPlay for unpaid Taxes (other than in respect of Taxes not yet due and payable);
  - (vi) all Tax Returns and all material written communications to or from any Governmental Authority relating to the Taxes of InPlay and its subsidiaries that have been made available to Prairie Storm, were true, correct and complete in all material respects;
  - (vii) none of sections 78, 80, 80.01 to 80.04, 160 or 191.3 of the Tax Act, or any equivalent provision of the Tax legislation of any province or any other jurisdiction, have applied or will apply to InPlay at any time up to and including the Effective Date;
  - (viii) InPlay has not breached any flow-through share agreement to which it is a party in respect of the issuance of flow-through shares (as defined in the Tax Act) and InPlay does not have any outstanding obligations to incur and/or renounce Canadian exploration expenses or Canadian development expenses (all as defined in the Tax Act) which it covenanted to incur and renounce nor has any Governmental Authority or InPlay reduced any amount renounced by InPlay pursuant to subsection 66(12.73) of the Tax Act;
  - (ix) InPlay has collected all amounts on account of any sales or transfer Taxes, including goods and services, harmonized sales and provincial or territorial sales Taxes, required by Applicable Laws to be collected by it and has duly and timely remitted to the appropriate Governmental Authority any such amounts required by Applicable Laws to be remitted by it;
  - (x) there are no matters that are the subject of any audit, investigation, objection, appeal, legal proceedings or agreement with any Governmental Authority relating to claims for Taxes now in progress, pending or threatened against InPlay in respect of Taxes;

- (xi) there are no agreements, waivers or other arrangements providing for an extension of time with respect to the assessment or reassessment of any Tax or the filing of any Tax Returns or Tax elections by, or the payment of any Tax by, InPlay; and
  - (xii) except as would not reasonably be likely to result in a material adverse effect, all subsidies, government assistance and Tax refunds, including in respect of COVID-19, claimed or received by InPlay, including, for greater certainty, under section 125.7 and subsection 153(1.02) of the Tax Act, were claimed and received in accordance with Applicable Laws.
- (v) **Material Agreements:** Other than this Agreement, the InPlay Equity Financing Agreement and the InPlay Credit Facility Commitment Letter, copies of which have been provided to Prairie Storm, InPlay has not entered into any material agreements which are required to be filed by InPlay under National Instrument 51-102 – *Continuous Disclosure Obligations*, except for those agreements which have been so filed by InPlay.
- (w) **Absence of Undisclosed Liabilities:** InPlay has no material obligations or liabilities of any nature (matured or unmatured, fixed or contingent), other than:
- (i) those set forth or adequately provided for in the most recent statement of financial position and associated notes thereto included in the InPlay Financial Statements (the "**InPlay Balance Sheet**");
  - (ii) those incurred in the ordinary course of business and not required to be set forth in the InPlay Balance Sheet under IFRS;
  - (iii) those incurred in the ordinary course of business since the date of the InPlay Balance Sheet and consistent with past practice; and
  - (iv) those incurred in connection with the execution of this Agreement.
- (x) **Certain Contracts and Agreements:** As of the date hereof, InPlay is not a party to any Contract or agreement to merge or consolidate with any other Person, to acquire substantially all of the assets or shares of any other Person or to sell all or any material part of its assets or properties.
- (y) **Off-Balance Sheet Arrangements:** InPlay (on a consolidated basis) is not a party to any off-balance sheet arrangements, as that term is understood under IFRS that would in aggregate have a material adverse effect on InPlay.
- (z) **Title to Assets:** Although InPlay does not warrant title to any of its assets, it does represent and warrant that:
- (i) it does not have reason to believe that InPlay does not have title to or the irrevocable right to produce and sell its petroleum, natural gas and related hydrocarbons (for the purposes of this clause, the foregoing are referred to as the "**InPlay Interests**") and does represent and warrant that, to the knowledge of InPlay, the InPlay Interests are free and clear of adverse claims (other than Permitted Encumbrances) created by, through or under InPlay, except as disclosed in the InPlay Public Record, related to bank financing or those arising in the ordinary course of business, and, to the knowledge of InPlay, InPlay holds the InPlay Interests under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements, except where the failure to so hold the InPlay Interests would not have a material adverse effect upon InPlay; and

- (ii) it is not aware of any defects, failures or impairments in the title of InPlay to its oil and natural gas properties, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a material adverse effect on: (i) the quantity and pre-tax present worth values of the oil and natural gas reserves of InPlay shown in the InPlay Reserves Report; (ii) the current production of InPlay; or (iii) the current cash flow of InPlay.
- (aa) **Reserves Report:** InPlay has no reason to believe that the InPlay Reserves Report was not accurate in all material respects as at the effective date of such report, and, except for any impact of changes in commodity prices, which may or may not be material, InPlay has no knowledge of a material adverse change in the production, costs, reserves, estimates of future net production revenues or other relevant information from that disclosed in the InPlay Reserves Report. InPlay has provided to Sproule all material information concerning land descriptions, well data, facilities and infrastructure, ownership and operations, future development plans and historical technical and operating data respecting the principal oil and natural gas assets of InPlay, in each case as at the effective date of such report, and, in particular, all material information respecting the interests of InPlay in its principal oil and natural gas assets and royalty burdens and net profits interest burdens thereon and, to the knowledge of InPlay, such information was accurate and correct in all material respects as at the respective dates thereof and did not omit any information necessary to make any such information provided not misleading as at the respective dates thereof and there has been no material adverse change in any of the material information so provided since the date thereof.
- (bb) **Processing and Transportation Commitments:** The InPlay Disclosure Letter contains a complete and accurate list of all of the third party processing and transportation agreements of InPlay which cannot be terminated within 90 days or less without a material penalty. Other than as set forth in the InPlay Disclosure Letter, InPlay has no material third party processing or transportation agreements or any obligations to deliver sales volumes to any other Person which cannot be terminated in 90 days or less without a material penalty.
- (cc) **Receipt of Revenues:** To the knowledge of InPlay, InPlay has been receiving the share of the net proceeds of production from its assets attributable to its interest in such assets and no Person has provided InPlay with written notice of, nor does InPlay have any knowledge of, a Claim by any Person that InPlay is not entitled to such amounts, with the possible exception of: (i) Claims of accounting errors which do not challenge the percentage share of revenues to which it is entitled and which are not material; and (ii) Claims subject to resolution through insolvency, receivership, or bankruptcy proceedings involving third parties.
- (dd) **Outstanding AFEs:** Except as disclosed in the InPlay Disclosure Letter, there is no authorization for expenditure, cash call or similar approval approved by InPlay pursuant to which InPlay will be obliged to a third party to make or advance money in respect of expenditures with respect to InPlay's assets or properties, InPlay's outstanding share of which is reasonably expected to exceed one hundred thousand dollars (\$100,000).
- (ee) **Environmental:** As at the date of this Agreement:
  - (i) InPlay and its subsidiaries have not received any orders or directives that relate to Environmental matters in respect of any of their assets from any Governmental Authority under any Environmental Law that require any material work, repairs, construction or capital expenditures with respect to such assets operated by InPlay or its subsidiaries where such orders or directives have not been complied with in all material respects;

- (ii) InPlay and its subsidiaries have not received any demands or notices from any Governmental Authority issued under any Environmental Law with respect to the material breach of any Environmental Law applicable to the assets operated by InPlay or its subsidiaries including in respect of a Release, the use, storage, treatment, transportation, handling or disposition of Environmental contaminants, or the protection of the Environment, which demand or notice remains outstanding on the date hereof and would require material expenditures to remedy;
- (iii) to the knowledge of InPlay, except to the extent that any violation or other matter referred to in this subparagraph does not have a material adverse effect on InPlay, in respect of InPlay and its subsidiaries:
  - (A) it is not in violation of any Environmental Laws;
  - (B) it has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
  - (C) it has not failed to report to the proper federal, provincial, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign the occurrence of any event which is required to be so reported by any Environmental Law; and
  - (D) it holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect, and except for notifications and conditions of general application to assets of reclamation obligations under legislation in any jurisdiction in which it conducts its business, neither InPlay nor its subsidiaries has received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any license, permit or approval issued pursuant thereto, or that any license, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated.
- (ff) **Major Facilities:** To InPlay's knowledge, InPlay has good and valid title to, or a valid and enforceable leasehold interest in, its material facilities and infrastructure.
- (gg) **Tangible Property:** The tangible depreciable property used or intended for use in connection with the oil and natural gas assets of InPlay and its subsidiaries:
  - (i) for which InPlay or its subsidiaries was or is operator, was or has been constructed, operated and maintained in accordance with good and prudent oil and natural gas industry practices in Canada and all Applicable Laws during all periods in which InPlay or its subsidiaries was operator thereof and is in good condition and repair, ordinary wear and tear excepted, and is useable in the ordinary course of business; and
  - (ii) for which InPlay or its subsidiaries was not or is not operator, to the knowledge of InPlay, was or has been constructed, operated and maintained in accordance with good and prudent oil and natural gas industry practices in Canada and all Applicable Laws during all periods

in which none of InPlay or its subsidiaries was operator thereof and is in good condition and repair, ordinary wear and tear excepted, and is useable in the ordinary course of business,

except to the extent that such non-compliance with prudent oil and natural gas industry practices or Applicable Laws would not in the aggregate have a material adverse effect on InPlay.

(hh) **No Areas of Mutual Interest or Purchase Rights:**

- (i) there are no active areas of mutual interest provisions or areas of exclusion in any of the Contracts or otherwise to which any of InPlay's assets are subject; and
- (ii) there are no rights of first refusal, pre-emptive purchase rights or similar rights applicable to any of InPlay's assets that apply to or are triggered as a result of the Acquisition,

that would in aggregate have a material adverse effect on InPlay.

(ii) **Take or Pay and Offset Obligations:**

- (i) InPlay has no take or pay obligations except as disclosed in the InPlay Disclosure Letter;
- (ii) InPlay has not received any offset notices under the terms of any lease that remain outstanding in any material respect; and
- (iii) InPlay has not received any advance payments for petroleum or services not already delivered or provided prior to receipt of payment,

that would in aggregate have a material adverse effect on InPlay.

(jj) **Swaps:** Except as disclosed in the InPlay Financial Statements or the InPlay Disclosure Letter, InPlay does not currently have outstanding Derivative Contracts that would in aggregate have a material adverse effect on InPlay.

(kk) **Royalties Paid:** To the knowledge of InPlay and except to the extent that the failure to pay would not in the aggregate have a material adverse effect on InPlay, all royalties payable in respect of its assets and other payments and obligations due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any direct or indirect assets have been: (i) duly paid in a timely manner; (ii) duly performed; or (iii) provided for in the accounts of InPlay.

(ll) **Joint Venture or Royalty Audits:** There are no ongoing (i) joint venture audits by a third party, or (ii) royalty audits by any owner that would individually or in aggregate have a material adverse effect on InPlay.

(mm) **Possession of Necessary License and Permits:** InPlay has obtained and is in compliance with all material licences, permits, approvals, certificates, consents, orders, grants, procedures, standards and other authorizations of or from any Governmental Authority that are applicable to or held by InPlay, or are necessary to conduct its business as it is now being conducted, and all such licences, permits, approvals, certificates, consents, orders, grants, procedures, standards and other authorizations are valid and subsisting.

- (nn) **Production Allowables:** None of the wells in which InPlay or its subsidiaries holds an interest has been produced in excess of applicable production allowables imposed by any Applicable Laws or any Governmental Authority and InPlay does not have any knowledge of any impending change in production allowables imposed by any Applicable Law or any Governmental Authority that may be applicable to any of the wells in which any of them holds an interest, other than changes of general application in the jurisdiction in which such wells are situate except to the extent that such non-compliance or changes would not in the aggregate have a material adverse effect on InPlay.
- (oo) **Production Penalties:** Neither InPlay nor its subsidiaries have received notice of any production penalty or similar production restriction of any nature imposed or to be imposed by any Governmental Authority and, to InPlay's knowledge, none of the wells in which either of them holds an interest is subject to any such penalty or restriction except to the extent that any such penalty or restriction would not have a material adverse effect on InPlay.
- (pp) **Leases and Title Documents:**
- (i) As of the date hereof, InPlay has not received notice of any default under any of the leases and other title and operating documents or any other agreement or instrument pertaining to its oil and natural gas assets to which it is a party or by or to which it or any such assets are bound or subject except to the extent that such defaults would not in the aggregate have a material adverse effect on InPlay.
- (ii) To the knowledge of InPlay:
- (A) InPlay is in good standing under all, and is not in default under any; and
- (B) there is no existing condition, circumstance or matter which constitutes or which, with the passage of time or the giving of notice, would constitute a default under any,
- leases and other title and operating documents or any other agreements and instruments pertaining to its oil and natural gas assets to which it is a party or by or to which it or such assets are bound or subject and, to the knowledge of InPlay, all such leases, title and operating documents and other agreements and instruments are in good standing and in full force and effect and none of the counterparties to such leases, title and operating documents and other agreements and instruments is in default thereunder except to the extent that such defaults would not in the aggregate have a material adverse effect on InPlay.
- (qq) **Financial Statements:** The InPlay Financial Statements fairly present, in accordance with IFRS, the financial position and condition of InPlay at the dates thereof and the results of the operations of InPlay for the periods then ended and reflect in accordance with IFRS, all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of InPlay as at the dates thereof and have been prepared in conformity with IFRS applied on a consistent basis throughout the periods involved.
- (rr) **Internal Controls and Disclosure Controls:**
- (i) InPlay and its subsidiaries maintain "internal control over financial reporting" (as such term is defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*), such internal control over financial reporting and procedures are

effective and InPlay and its subsidiaries are not aware of any material weakness in their internal control over financial reporting.

- (ii) InPlay and its subsidiaries maintain "disclosure controls and procedures" (as such term is defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*), and such disclosure controls and procedures are effective.
- (ss) **Transfer Agent:** Computershare Trust Company of Canada has been duly appointed as transfer agent and registrar for InPlay's Shares.
- (tt) **Absence of Restrictions by Securities Commissions:** No securities commission, stock exchange or similar securities regulatory authority has issued any order which is currently outstanding preventing or suspending trading in any of InPlay's securities and, no such proceeding is, to the knowledge of InPlay, pending or contemplated or threatened.
- (uu) **Listing:** The issued and outstanding common shares of InPlay are listed and posted for trading on the TSX and InPlay is not in default of its listing requirements on the TSX in any material respect.
- (vv) **Cease Trade Order:** No securities commission or similar regulatory authority, or stock exchange in Canada has issued any order which is currently outstanding preventing or suspending trading in any securities of InPlay, no such proceeding is, to the knowledge of InPlay, pending, contemplated or threatened and InPlay is not, to its knowledge, in default of any requirement of any Applicable Canadian Securities Laws.
- (ww) **Reporting Issuer:** InPlay is a "reporting issuer" (within the meaning of Applicable Canadian Securities Laws) in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and InPlay has not received any correspondence or notice from a securities commission or similar securities regulatory authority in any of the provinces or territories of Canada concerning a review of any of InPlay's continuous disclosure documents in respect of which any matters remain outstanding.
- (xx) **Investment Canada Act:** InPlay is a "Canadian" within the meaning of the *Investment Canada Act*.
- (yy) **Sufficient Funds:** Prior to or concurrent with the execution and delivery of this Agreement, InPlay has delivered to Prairie Storm true and complete, fully-executed copies of the InPlay Credit Facility Commitment Letter and InPlay Equity Financing Agreement. As of the date hereof, there are no other agreements, side letters or arrangements that could affect the availability of either of the InPlay Financings. The InPlay Credit Facility Commitment Letter and InPlay Equity Financing Agreement contain all of the conditions precedent to the obligations of the parties thereunder with respect to the InPlay Debt Financing and InPlay Equity Financing, respectively, in accordance with the terms set out therein. As of the date hereof, each of the InPlay Credit Facility Commitment Letter and InPlay Equity Financing Agreement is in full force and effect, has not been amended, restated, modified, withdrawn or terminated. Each of the InPlay Credit Facility Commitment Letter and InPlay Equity Financing Agreement is a legal, valid and binding obligation of InPlay and, to the knowledge of InPlay, the other parties thereto, in each case, except as may be limited by (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar Laws relating to creditors' and others' rights generally and (ii) general principles of equity, whether such enforceability is considered in a proceeding in equity or at law. At the Effective Date, assuming the InPlay Debt Financing and InPlay Equity Financing are completed in accordance with the terms set out in the InPlay Credit Facility Commitment Letter and InPlay Equity Financing Agreement,

respectively, InPlay will have sufficient funds available to satisfy the aggregate Cash Consideration payable to the Prairie Storm Shareholders for the Prairie Storm Shares and any other amounts payable to the Prairie Storm Shareholders by InPlay in connection with the Acquisition in accordance with the terms of this Agreement.

- (zz) **Withheld Information:** To the knowledge of InPlay, InPlay has not withheld from Prairie Storm any material information or documents concerning InPlay, its subsidiaries or their assets or liabilities during the course of Prairie Storm's review of InPlay, its subsidiaries and their assets. No representation or warranty contained in this Agreement or other disclosure document provided or to be provided to Prairie Storm by InPlay pursuant to this Agreement contains or will contain any untrue statement of a material fact or omits to state a material fact which is necessary in order to make the statements herein or therein not misleading.

### 4.3 Privacy Issues

- (a) For the purposes of this Section 4.3 the following definitions shall apply:
- (i) **"applicable privacy laws"** means any and all Applicable Laws relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including the *Personal Information Protection and Electronic Documents Act* (Canada) and/or any comparable provincial Law including the *Personal Information Protection Act* (Alberta);
  - (ii) **"authorized authority"** means, in relation to any Person, transaction or event, any: (A) federal, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign, (B) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, (C) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, and (D) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such Person, transaction or event; and
  - (iii) **"Personal Information"** means information about an identifiable individual transferred to one Party by another Party in accordance with this Agreement and/or as a condition of the Acquisition.
- (b) The Parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy laws which govern the collection, use and disclosure of Personal Information acquired by or disclosed to either Party pursuant to or in connection with this Agreement (the "**Disclosed Personal Information**").
- (c) Neither Party shall use the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Acquisition.
- (d) Each Party acknowledges and confirms that the disclosure of Personal Information is necessary for the purposes of determining if the Parties shall proceed with the Acquisition, and that the disclosure of Personal Information relates solely to the carrying on of the business and the completion of the Acquisition.

- (e) Each Party acknowledges and confirms that it has and shall continue to employ appropriate technology and procedures in accordance with Applicable Laws to prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.
- (f) Each Party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Each Party shall ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective Party who have a bona fide need to access to such information in order to complete the Acquisition.
- (g) Each Party shall promptly notify the other Party to this Agreement of all inquiries, complaints, requests for access, and claims of which the Party is made aware in connection with the Disclosed Personal Information. The Parties shall fully co-operate with one another, with the Persons to whom the Personal Information relates, and any authorized authority charged with enforcement of applicable privacy laws, in responding to such inquiries, complaints, requests for access, and claims.
- (h) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of either Party, each Party shall forthwith cease all use of the Personal Information acquired in connection with this Agreement and shall return to the other Party or, at the other Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies).

## **ARTICLE 5 CONDITIONS PRECEDENT**

### **5.1 Mutual Conditions Precedent**

The respective obligations of the Parties to consummate the transactions contemplated by this Agreement, and in particular the completion of the Acquisition, are subject to the satisfaction, on or before the Effective Time, or such other time specified, of the following conditions, each of which may only be waived by the mutual written consent of both Parties without prejudice to each Party's right to rely on any other of such conditions:

- (a) the Interim Order and the Final Order shall have been granted in form and substance satisfactory to each of InPlay and Prairie Storm, acting reasonably, and no such order shall have been set aside or modified in a manner unacceptable to InPlay or Prairie Storm, acting reasonably, on appeal or otherwise;
- (b) the Acquisition Resolution, in form and substance reasonably satisfactory to each of Prairie Storm and InPlay, shall have been approved by the Prairie Storm Shareholders at the Prairie Storm Meeting in accordance with the Interim Order;
- (c) the Effective Date shall have occurred on or before the Outside Date;
- (d) the TSX shall have conditionally approved the issuance of all of the InPlay Shares issuable to Prairie Storm Shareholders pursuant to the Acquisition subject only to customary conditions reasonably expected to be satisfied promptly following the Effective Time;

- (e) all required regulatory, governmental and third party approvals and consents necessary for the completion of the Acquisition (including any required by the TSXV) shall have been obtained on terms and conditions satisfactory to Prairie Storm and InPlay, each acting reasonably;
- (f) each of Prairie Storm and InPlay shall have obtained the consent of its lenders to the Acquisition, if required;
- (g) the InPlay Financings, or alternative financing arrangements by InPlay, on terms acceptable to Prairie Storm, acting reasonably, sufficient to fund the Cash Consideration required to complete the Acquisition, shall have been completed on or before the Outside Date; and
- (h) no action shall have been taken under any existing Applicable Law that:
  - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Acquisition or any other transactions contemplated by this Agreement; or
  - (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated by this Agreement.

The foregoing conditions are for the mutual benefit of the Parties and may be asserted by either Party regardless of the circumstances and may be waived by any Party (with respect to such Party) in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights that such Party may have.

## **5.2 Additional Conditions to Obligations of InPlay**

The obligation of InPlay to consummate the transactions contemplated by this Agreement, and in particular to complete the Acquisition, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) Prairie Storm shall have complied in all material respects with its covenants herein except where the failure to comply in all respects with its covenants would not result or would not reasonably be expected to result in a material adverse change in respect of Prairie Storm or would not, or would not reasonably be expected to, materially impede completion of the Acquisition and Prairie Storm shall have provided to InPlay a certificate of two senior officers certifying (for and on behalf of Prairie Storm and without personal liability) compliance with such covenants and InPlay shall have no actual knowledge to the contrary; provided that Prairie Storm shall be entitled to cure any breach of a covenant within ten Business Days after receipt of written notice thereof from InPlay (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date);
- (b) the representations and warranties of Prairie Storm set forth herein shall be true and correct without regard to any materiality, material adverse change or material adverse effect qualifications contained in them as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or, with respect to all representations and warranties, except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct would not or would not reasonably be expected to result in a material adverse change in respect of Prairie Storm or would not, or would not reasonably be expected to, materially impede completion of the Acquisition, and Prairie Storm shall have provided to InPlay a certificate of two senior officers certifying (for and on behalf of Prairie Storm and without personal liability) such facts on the

Effective Date and InPlay shall have no actual knowledge to the contrary; provided that Prairie Storm shall be entitled to cure any breach of a representation and warranty within ten (10) Business Days after receipt of written notice thereof from InPlay (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date);

- (c) Prairie Storm shall have furnished InPlay with:
  - (i) certified copies of the resolutions duly passed by the board of directors of Prairie Storm approving this Agreement and the consummation of the transactions contemplated by this Agreement; and
  - (ii) a certified copy of the Acquisition Resolution;
- (d) no material adverse change respecting Prairie Storm shall have occurred;
- (e) no act, action, suit, proceeding, objection or opposition shall have been taken or threatened against or affecting Prairie Storm before or by any Governmental Authority, by any elected or appointed public official or private Person in Canada or elsewhere, whether or not having the force of Law and no Law shall have been enacted, promulgated, amended or applied, which in either case has had or, if the Acquisition was consummated, would result in a material adverse change respecting Prairie Storm or would materially impede the ability of the Parties to complete the Acquisition;
- (f) InPlay shall be reasonably satisfied that, other than in respect of any Prairie Storm Options which are subject to exercise and cancellation pursuant to the Prairie Storm Option Exercise and Termination Agreements, that no Person, shall have any agreement, option or any right or privilege (whether by law, pre-emptive, by contract or otherwise) capable of becoming an agreement or option for the purchase, subscription, allotment or issuance of any issued or unissued Prairie Storm Shares and Prairie Storm shall have provided to InPlay a certificate of a senior officer certifying (for and on behalf of Prairie Storm and without personal liability) such facts on the Effective Date;
- (g) InPlay shall be reasonably satisfied that, prior to the Effective Time, all of the outstanding Prairie Storm Options shall have been exercised or cancelled in accordance with Section 2.7;
- (h) on the Effective Date, each of the directors and officers of Prairie Storm and any of its subsidiaries shall have provided their resignations and shall have delivered mutual releases, in a form and substance satisfactory to InPlay, acting reasonably, and any other Persons entitled to a payment from Prairie Storm for Prairie Storm Termination Payments shall have delivered releases, in a form and substance satisfactory to InPlay, acting reasonably;
- (i) the Hold Period Agreements have been entered into and delivered to InPlay by each of the Prairie Storm Shareholders set forth in the Prairie Storm Disclosure Letter;
- (j) holders of not more than 10% of the issued and outstanding Prairie Storm Shares shall have validly exercised Dissent Rights;
- (k) the Prairie Storm Employee Obligations shall not exceed the amount disclosed in the Prairie Storm Disclosure Letter, as reflected by those amounts per employee and consultant, as the case may be, and the aggregate amount set out therein;

- (l) the Prairie Storm Transaction Costs shall not be greater than \$5.445 million, and Prairie Storm shall have provided a Certificate of two senior officers certifying the amount of the Prairie Storm Transactions Costs; and
- (m) Prairie Storm shall have tabled duly executed copies of all agreements, documents and instruments required to be tabled by Prairie Storm pursuant to the Plan of Arrangement.

The conditions in this Section 5.2 are for the exclusive benefit of InPlay and may be asserted by InPlay regardless of the circumstances or may be waived by InPlay in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which InPlay may have.

### **5.3 Additional Conditions to Obligations of Prairie Storm**

The obligation of Prairie Storm to consummate the transactions contemplated by this Agreement, and in particular to complete the Acquisition, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) InPlay shall have complied in all material respects with its covenants herein except where the failure to comply in all respects with its covenants would not result or would not reasonably be expected to result in a material adverse change in respect of InPlay or would not, or would not reasonably be expected to, materially impede completion of the Acquisition, and InPlay shall have provided to Prairie Storm a certificate of two senior officers certifying (for and on behalf of InPlay and without personal liability) compliance with such covenants and Prairie Storm shall have no actual knowledge to the contrary; provided that InPlay shall be entitled to cure any breach of a covenant within ten (10) Business Days after receipt of written notice thereof from Prairie Storm (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date);
- (b) the representations and warranties of InPlay set forth herein shall be true and correct without regard to any materiality, material adverse change or material adverse effect qualifications contained in them as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or, with respect to all representations and warranties, except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct would not result or would not reasonably be expected to result in a material adverse change in respect of InPlay or would not, or would not reasonably be expected to, materially impede completion of the Acquisition, and InPlay shall have provided to Prairie Storm a certificate of two senior officers certifying (for and on behalf of InPlay and without personal liability) such facts on the Effective Date and Prairie Storm shall have no actual knowledge to the contrary; provided that InPlay shall be entitled to cure any breach of a representation and warranty within ten (10) Business Days after receipt of written notice thereof from Prairie Storm (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date);
- (c) InPlay shall have furnished Prairie Storm with certified copies of the resolutions duly passed by the InPlay Board approving the execution and delivery of this Agreement and the performance by InPlay of its obligations under this Agreement and the consummation of the transactions contemplated by this Agreement;
- (d) no material adverse change respecting InPlay shall have occurred;

- (e) InPlay shall have irrevocably deposited the aggregate Equity Consideration and the aggregate Cash Consideration with the Depositary as required in order to issue the requisite number of InPlay Shares and pay the requisite amount of cash to the Prairie Storm Shareholders in accordance with the Plan of Arrangement and InPlay shall have irrevocably directed the Depositary to distribute, in accordance with the terms of the Depositary Agreement, the InPlay Shares and Cash Consideration to the Prairie Storm Shareholders to which they are entitled pursuant to the terms of the Plan of Arrangement;
- (f) on the Effective Date, Prairie Storm shall be satisfied, acting reasonably, that the InPlay Shares issued to Prairie Storm Shareholders pursuant to the Acquisition shall have been conditionally accepted for listing on the TSX, subject only to the filing of documentation that cannot be filed prior to the Effective Date;
- (g) no act, action, suit, proceeding, objection or opposition shall have been taken or threatened against or affecting InPlay before or by any Governmental Authority by any elected or appointed public official or private Person in Canada or elsewhere, whether or not having the force of Law and no Law shall have been enacted, promulgated, amended or applied, which in either case has had or, if the Acquisition was consummated, would result in a material adverse change respecting InPlay or would materially impede the ability of the Parties to complete the Acquisition; and
- (h) InPlay shall have tabled duly executed copies of all agreements, documents and instruments required to be tabled by InPlay pursuant to the Plan of Arrangement.

The conditions in this Section 5.3 are for the exclusive benefit of Prairie Storm and may be asserted by Prairie Storm regardless of the circumstances or may be waived by Prairie Storm in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Prairie Storm may have.

#### **5.4 Notice and Effect of Failure to Comply with Covenants or Conditions**

- (a) Each Party shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to, (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect, or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder; provided, however, that no such notification shall affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.
- (b) If any of the conditions precedents set forth in Sections 5.1, 5.2 or 5.3 hereof will not be complied with or waived by the Parties for whose benefit such conditions are provided on or before the date required for the performance thereof, then a Party for whose benefit the condition precedent is provided may, in addition to any other remedies they may have at Law or equity, rescind and terminate this Agreement as provided for in Section 8.1 hereof provided that, prior to the filing of the Articles of Arrangement, the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable conditions precedent and shall provide in such notice that the other Party shall be entitled to cure any breach of a covenant or representation and warranty or other matters within ten (10) Business Days after receipt of such notice (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date). More than one such notice may be delivered by a Party.

## 5.5 Satisfaction of Conditions

The conditions set out in this Article 5 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, Articles of Arrangement are filed under the ABCA to give effect to the Acquisition.

## ARTICLE 6 TERMINATION AMOUNTS AND OTHER ARRANGEMENTS

### 6.1 InPlay Damages

If at any time after the execution of this Agreement:

- (a) the Prairie Storm Board: (i) fails to make any of the Prairie Storm Board Recommendations, including in any press release contemplated by Section 10.2 that is issued by Prairie Storm with respect to this Agreement or the Acquisition or as otherwise required by this Agreement; (ii) withdraws or modifies, or proposes to withdraw or modify, in any manner adverse to InPlay, any of the Prairie Storm Board Recommendations (it being understood that the taking of a neutral position or no position with respect to an announced Acquisition Proposal beyond the earlier of a period of two Business Days following such announcement or the date which is the day prior to the date proxies in respect of the Prairie Storm Meeting must be deposited shall be considered an adverse modification to such recommendation); or (iii) resolves to do any of the foregoing;
- (b) the Prairie Storm Board shall have failed to publicly reaffirm any of the Prairie Storm Board Recommendations in accordance with Section 3.4(e);
- (c) this Agreement is terminated by either Party pursuant to Section 8.1(b) and prior to such termination an Acquisition Proposal (or an intention to make one) is or has been publicly announced, proposed, disclosed, offered or made by any Person other than InPlay or its affiliates and, within 12 months following the date of such termination:
  - (i) the Prairie Storm Board recommends any Acquisition Proposal, which is subsequently consummated at any time thereafter (whether or not within such 12 month period);
  - (ii) Prairie Storm enters into a binding definitive agreement in respect of such Acquisition Proposal which is subsequently consummated at any time thereafter (whether or not within such 12 month period); or
  - (iii) any Acquisition Proposal is consummated;
- (d) the Prairie Storm Board or Prairie Storm, as applicable, accepts, recommends, approves or enters into an agreement to implement a Superior Proposal;
- (e) Prairie Storm is in breach, in a material respect, of any of its covenants made in this Agreement, which breach individually or in the aggregate causes or would reasonably be expected to cause a material adverse change with respect to, or material adverse effect on, Prairie Storm and its subsidiaries, taken as a whole, or materially impedes or would reasonably be expected to materially impede the completion of the Acquisition, and Prairie Storm fails to cure such breach within ten (10) Business Days after receipt of written notice thereof from InPlay (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date); or

(f) Prairie Storm terminates this Agreement pursuant to Section 8.1(h);

(each of the above being an "**InPlay Damages Event**");

(provided that, for clarity, in the case of Section 6.1(b), an InPlay Damages Event will not have occurred unless and until such time that the Prairie Storm Board has failed to publicly reaffirm any of the Prairie Storm Board Recommendations, as requested by InPlay, within the applicable time period contemplated by Section 3.4(e)), then in the event of the termination of this Agreement pursuant to Sections 8.1(b), 8.1(f) or 8.1(h), as applicable to the relevant InPlay Damages Event, and provided that no event in the nature of Section 6.2 has occurred, Prairie Storm shall pay to InPlay (or to whom InPlay may direct in writing) \$2.0 million (the "**InPlay Termination Fee**") as liquidated damages in immediately available funds to an account designated by InPlay. The InPlay Termination Fee shall be paid as follows:

- (i) within two Business Days immediately following the termination of this Agreement by InPlay in the case of an InPlay Damages Event described in Sections 6.1(a), 6.1(b), 6.1(d) or 6.1(e);
- (ii) in accordance with Sections 3.4(b)(viii) and 8.1(h) in the case of the InPlay Damages Event described in Section 6.1(f); and
- (iii) upon consummation of the Acquisition Proposal referred to therein in the case of the InPlay Damages Event described in Section 6.1(c).

Following an InPlay Damages Event, but prior to payment of the InPlay Termination Fee, Prairie Storm shall and shall be deemed to hold any amount owing to InPlay under this Section 6.1 in trust for InPlay. Prairie Storm shall only be obligated to pay one InPlay Termination Fee pursuant to this Section 6.1.

## **6.2 Prairie Storm Damages**

If, at any time after the execution of this Agreement:

- (a) this Agreement is terminated by a Party pursuant to Section 8.1(d) or 8.1(e), as applicable, as a result of the failure to satisfy the condition in Section 5.1(g); or
- (b) InPlay is in breach, in a material respect, of any of its covenants made in this Agreement, which breach individually or in the aggregate causes or would reasonably be expected to cause a material adverse change with respect to, or material adverse effect on, InPlay, or materially impedes or would reasonably be expected to materially impede the completion of the Acquisition, and InPlay fails to cure such breach within ten (10) Business Days after receipt of written notice thereof from Prairie Storm (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date);

(each of the above being a "**Prairie Storm Damages Event**");

then in the event of the termination of this Agreement pursuant to Sections 8.1(d), 8.1(e) or 8.1(g), as applicable to the relevant Prairie Storm Damages Event, and provided that no event in the nature of Section 6.1 has occurred, InPlay shall pay to Prairie Storm (or to whom Prairie Storm may direct in writing) \$2.0 million (the "**Prairie Storm Termination Fee**") as liquidated damages in immediately available funds to

an account designated by Prairie Storm within two Business Days immediately following the termination of this Agreement by Prairie Storm or InPlay, as applicable, upon a Prairie Storm Damages Event.

Following a Prairie Storm Damages Event, but prior to payment of the Prairie Storm Termination Fee, InPlay shall and shall be deemed to hold any amount owing to Prairie Storm under this Section 6.2 in trust for Prairie Storm. InPlay shall only be obligated to pay one Prairie Storm Termination Fee pursuant to this Section 6.2.

### **6.3 Liquidated Damages**

Each of InPlay and Prairie Storm acknowledges that the agreements contained in this Article 6 are an integral part of the transactions contemplated in this Agreement and that, without those agreements, the Parties would not enter into this Agreement.

Each of InPlay and Prairie Storm acknowledges that the payment of the amount set out in Sections 6.1 or 6.2, as applicable: (a) is a payment of liquidated damages which are a genuine pre-estimate of the damages which InPlay or Prairie Storm, as applicable, shall suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement and is not a penalty; and (b) represents consideration for the disposition by the payee of its rights under this Agreement. InPlay and Prairie Storm each irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, InPlay and Prairie Storm agree that payment of the amount pursuant to Section 6.1 or 6.2, as applicable, is the sole monetary remedy of InPlay or Prairie Storm, as applicable, hereunder; provided, however, that this limitation shall not apply in the event of fraud or wilful or intentional breach of this Agreement by either of the Parties. Additionally, nothing herein shall preclude InPlay or Prairie Storm from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement, the Confidentiality Agreement, or otherwise to obtain specific performance of any of such act, covenants or agreements, without the necessity of posting bond or security in connection therewith.

## **ARTICLE 7 AMENDMENT**

### **7.1 Amendment**

This Agreement may, at any time and from time to time before or after the holding of the Prairie Storm Meeting, be amended by written agreement of the Parties without, subject to Applicable Laws, further notice to, or authorization from, their respective shareholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of InPlay or Prairie Storm hereunder;
- (b) waive any inaccuracies in, or modify, any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with, or modify, any of the covenants contained herein and waive or modify performance of any of the obligations of InPlay or Prairie Storm hereunder; or
- (d) waive satisfaction of, or modify, any of the conditions precedent set out herein;

provided that no such amendment reduces or adversely affects the Consideration to be received by the Prairie Storm Shareholders without approval by the Prairie Storm Shareholders given in the same manner as required for the approval of the Acquisition.

## **ARTICLE 8 TERMINATION**

### **8.1 Termination**

This Agreement may be terminated at any time prior to the Effective Date:

- (a) by mutual written consent of InPlay and Prairie Storm;
- (b) by either InPlay or Prairie Storm if the Acquisition Resolution shall have failed to receive the requisite vote of the Prairie Storm Shareholders for approval at the Prairie Storm Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order;
- (c) by either InPlay or Prairie Storm if the Effective Time shall not have occurred on or prior to the Outside Date, except that the right to terminate the Agreement under this Section 8.1(c) shall not be available to any Party whose failure to fulfill any of its covenants or obligations in this Agreement has been the sole cause of, or resulted in, the failure of the Effective Time to occur by such date;
- (d) by InPlay if the conditions set forth in Sections 5.1 and 5.2 (other than those conditions that by their nature are to be satisfied at closing of the Acquisition, but subject to satisfaction or waiver of those conditions) have not been satisfied or waived by the earlier of the date required for the performance thereof, as applicable, or the Outside Date or such condition is incapable of being satisfied by the Outside Date; provided that, InPlay has complied with Section 5.4 and InPlay is not then in breach of this Agreement so as to cause any of the conditions set forth in Sections 5.1 and 5.3 not to be satisfied;
- (e) by Prairie Storm if the conditions set forth in Sections 5.1 and 5.3 (other than those conditions that by their nature are to be satisfied at closing of the Acquisition, but subject to satisfaction or waiver of those conditions) have not been satisfied or waived by the earlier of the date required for the performance thereof, as applicable, or the Outside Date or such condition is incapable of being satisfied by the Outside Date; provided that, Prairie Storm has complied with Section 5.4 and Prairie Storm is not then in breach of this Agreement so as to cause any of the conditions set forth in Sections 5.1 and 5.2 not to be satisfied;
- (f) by InPlay upon the occurrence of an InPlay Damages Event as provided in Section 6.1;
- (g) by Prairie Storm upon the occurrence of a Prairie Storm Damages Event as provided in Section 6.2;  
or
- (h) by Prairie Storm to accept, recommend, approve or enter into an agreement to implement a Superior Proposal; provided that: (i) Prairie Storm has complied with its obligations set forth in Section 3.4; and (ii) Prairie Storm concurrently pays the InPlay Termination Fee to InPlay in accordance with Section 6.1.

In the event of the termination of this Agreement in the circumstances set out in this Section 8.1, this Agreement shall forthwith become void and be of no further force or effect and no Party shall have any

liability or further obligation to the other hereunder except with respect to the obligations set out in any of Article 6, Article 9 and Article 10, all of which shall survive such termination. For greater certainty, neither the termination of this Agreement nor anything contained in this Article 8 shall: (i) relieve any Party from any liability for any fraud or wilful breach by it of this Agreement prior to the date of such termination; or (ii) affect the rights or obligations of any Party under the Confidentiality Agreement, which shall remain in full force and effect, subject to any further agreement of the Parties.

Unless otherwise provided herein, the exercise by either Party of any right of termination hereunder shall be without prejudice to any other remedy available to such Party at law or in equity.

## **ARTICLE 9 NOTICES**

### **9.1 Notices**

Any notice that is required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be delivered personally (including by courier) or portable document format ("**pdf**") or other electronic means to the Party to whom it is addressed, as follows:

- (a) if to InPlay, addressed to it at:

InPlay Oil Corp.  
920, 640 – 5<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 3G4

Attention: Douglas Bartole  
Email: *[Redacted]*

with a copy to:

Burnet, Duckworth & Palmer LLP  
2400, 525 – 8<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 1G1

Attention: Michael D. Sandrelli  
Email: *[Redacted]*

- (b) if to Prairie Storm, addressed to it at:

Prairie Storm Resources Corp.  
Suite 2000, 350 – 7<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 3N9

Attention: Hugh Ross  
Email: *[Redacted]*

with a copy to:

Blake, Cassels & Graydon LLP  
Suite 3500, Bankers Hall East Tower  
855 – 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 4J8

Attention: Scott W.N. Clarke  
Email: [Redacted]

or to such other address as a Party may, from time to time, advise to the other Party by notice in writing. The date or time of receipt of any such notice shall be deemed to be the date of delivery or the time such pdf document or electronic file is received.

## **ARTICLE 10 GENERAL**

### **10.1 Assignment and Enurement**

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and assigns; provided that this Agreement may not be assigned by either Party without the prior written consent of the other Party.

### **10.2 Disclosure**

Each Party shall obtain the prior consent, not to be unreasonably withheld, of the other Party prior to issuing or permitting any director, officer, employee or agent to issue, any press release or other written statement with respect to this Agreement or the transactions contemplated by this Agreement. Notwithstanding the foregoing, if either Party is required by Law to make any disclosure relating to the transactions contemplated by this Agreement, such disclosure may be made, but that Party shall consult with the other Party as to the wording of such disclosure prior to it being made.

### **10.3 Costs**

Except as contemplated herein, each Party covenants and agrees to bear its own costs and expenses in connection with the transactions contemplated by this Agreement.

### **10.4 Severability**

If any one or more of the provisions (or any part thereof) of this Agreement is determined to be invalid, illegal or unenforceable in any respect in any jurisdiction, such provision or provisions (or part or parts thereof) shall be, and shall be conclusively deemed to be, as to such jurisdiction, severable from the balance of this Agreement and:

- (a) the validity, legality or enforceability of the remaining provisions of this Agreement will not in any way be affected or impaired by the severance of the provisions (or parts thereof) so severed; and
- (b) the invalidity, illegality or unenforceability of any provision (or part thereof) of this Agreement in any jurisdiction shall not affect or impair such provision (or part thereof) or any other provisions of this Agreement in any other jurisdiction.

### **10.5 Further Assurances**

Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Party, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as the other Party may reasonably request in order to fully perform and carry out the terms and intent of this Agreement.

**10.6 Time of Essence**

Time shall be of the essence of this Agreement.

**10.7 Governing Law**

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Alberta and the Laws of Canada applicable therein and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Alberta in respect of all disputes arising under or in relation to this Agreement.

**10.8 Waiver**

No waiver by a Party shall be effective unless it is set out in a written instrument signed by such Party and any waiver shall affect only the matter, and the occurrence thereof, specifically identified in the applicable written instrument and shall not extend to any other matter or occurrence.

**10.9 Third Party Beneficiaries**

The provisions of Section 2.9, subsection 3.1(j) and subsection 3.2(s) are: (i) intended for the benefit of all present and former directors and officers of Prairie Storm, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such Persons and his or her heirs, executors, administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and InPlay shall hold the rights and benefits of Section 2.9, subsection 3.1(j) and subsection 3.2(s) in trust for and on behalf of the Third Party Beneficiaries and InPlay hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries, and (ii) are in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise.

**10.10 Counterparts**

This Agreement may be executed and delivered in counterparts and by pdf or other electronic means, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

**[The remainder of this page has intentionally been left blank]**

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

**INPLAY OIL CORP.**

By: "Douglas J. Bartole"

Name: Douglas J. Bartole

Title: President and Chief Executive Officer

**PRAIRIE STORM RESOURCES CORP.**

By: "Hugh G. Ross"

Name: Hugh G. Ross

Title: President and Chief Executive Officer

**SCHEDULE "A"**  
**PLAN OF ARRANGEMENT**

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(See attached)

**PLAN OF ARRANGEMENT UNDER SECTION 193  
OF THE BUSINESS CORPORATIONS ACT (ALBERTA)**

**ARTICLE 1  
INTERPRETATION**

1.1 In this Plan of Arrangement, unless there is something in the context or subject matter inconsistent therewith, the following defined words and terms have the indicated meanings and grammatical variations of such words and terms have corresponding meanings:

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

"**Acquisition Agreement**" means the Acquisition Agreement between Prairie Storm and InPlay dated September 28, 2021, and all amendments thereto;

"**AmalCo**" means the corporation resulting from the short form amalgamation of InPlay, Prairie Storm, and PSEC pursuant to Section 3.1(d) of this Plan of Arrangement;

"**AmalCo Shares**" means common shares in the capital of AmalCo;

"**Applicable Laws**" has the meaning ascribed thereto in the Acquisition Agreement;

"**Arrangement**" means the arrangement pursuant to Section 193 of the ABCA set forth in this Plan of Arrangement;

"**Arrangement Resolution**" means the special resolution to approve the Arrangement to be considered by Prairie Storm Shareholders at the Prairie Storm Meeting;

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been granted, to give effect to the Arrangement;

"**Business Day**" means, with respect to any action to be taken, any day, other than a Saturday, Sunday, statutory holiday or other day when banks are generally open in the City of Calgary, Alberta are not generally open for business;

"**Cash Consideration**" means the cash consideration in the amount of \$0.2514 per Prairie Storm Share to be paid to the Prairie Storm Shareholders pursuant to the Arrangement;

"**Certificate of Arrangement**" means the certificate of arrangement or other evidence of filing issued by the Registrar pursuant to subsection 193(11) of the ABCA giving effect to the Arrangement;

"**Circular**" means the management information circular and proxy statement of Prairie Storm to be mailed to Prairie Storm Shareholders in connection with the Prairie Storm Meeting, together with any amendments or supplements thereto;

"**Court**" means the Court of Queen's Bench of Alberta;

"**Depositary**" means Computershare Trust Company of Canada or such other Person that may be appointed by Prairie Storm and InPlay for the purpose of receiving deposits of certificates or direct

registration system advices representing Prairie Storm Shares in connection with the Arrangement and as set out in the Letter of Transmittal;

**"Dissent Rights"** means the rights of dissent granted in favour of registered Prairie Storm Shareholders pursuant to the Interim Order and Article 5 of this Plan of Arrangement;

**"Dissenting Prairie Storm Shareholder"** means a registered Prairie Storm Shareholder who validly exercises Dissent Rights in the manner prescribed by Section 191 of the ABCA, as modified by the Interim Order, which exercise of Dissent Rights has not been withdrawn, or is not deemed to have been withdrawn, as at the Effective Time;

**"Encumbrances"** has the meaning ascribed thereto in the Acquisition Agreement;

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

**"Effective Time"** means 12:01 a.m. (Calgary time) on the Effective Date;

**"Equity Consideration"** means the equity consideration in the amount of 0.0524 InPlay Shares per Prairie Storm Share to be paid to the Prairie Storm Shareholders pursuant to the Arrangement;

**"Final Order"** means the order of the Court approving the Arrangement pursuant to subsection 193(9) of the ABCA, as such order may be amended by the Court with the consent of the Parties, each acting reasonably;

**"Governmental Authority"** means any: (a) national, federal, provincial, state, regional, municipal, local or other government or any governmental regulatory or administrative authority department, court, tribunal, arbitral body, commission, board, bureau ministry or agency, or official, domestic or foreign, including any political subdivision thereof; (b) any subdivision, agent, commission, board or authority of any of the foregoing; or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; and (d) any stock exchange, including the TSX and TSXV;

**"InPlay"** means InPlay Oil Corp.;

**"InPlay Shares"** means common shares of InPlay, as constituted on the date hereof and, from and after the amalgamation set forth in Section 3.1(d) of this Plan of Arrangement, means the AmalCo Shares;

**"Interim Order"** means the interim order of the Court pursuant to subsection 193(4) of the ABCA containing certain declarations and directions with respect to the Arrangement and the holding of the Prairie Storm Meeting, as such order may be amended by the Court with the consent of the Parties, each acting reasonably;

**"Letter of Transmittal"** means the letter of transmittal accompanying the Circular pursuant to which registered Prairie Storm Shareholders are required to, among other things, deliver certificates or direct registration system advices representing Prairie Storm Shares and other required documents in order to receive the Equity Consideration and Cash Consideration;

**"Parties"** means Prairie Storm and InPlay and "Party" means either one of them;

"**Person**" includes any individual, firm, partnership, limited partnership, limited liability partnership, joint venture, association, trust, trustee, executor, administrator, legal personal representative, indigenous group, estate group, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status;

"**Plan of Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this plan of arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

"**Prairie Storm**" means Prairie Storm Resources Corp.;

"**Prairie Storm Meeting**" means the special meeting of the Prairie Storm Shareholders, including any adjournment(s) or postponement(s) thereof, that is to be convened to consider and, if deemed advisable, approve the Arrangement Resolution;

"**Prairie Storm Shareholder**" mean a holder of Prairie Storm Shares;

"**Prairie Storm Shares**" means common shares of Prairie Storm, as constituted on the date hereof.

"**PSEC**" means Prairie Storm Energy Corp., a wholly owned subsidiary of Prairie Storm;

"**Registrar**" means the Registrar of Corporations or a Deputy Registrar of Corporations appointed pursuant to Section 263 of the ABCA;

"**Tax**" and "**Taxes**" have the meanings ascribed thereto in the Acquisition Agreement; and

"**Tax Act**" means the *Income Tax Act* (Canada).

1.2 In this Plan of Arrangement, unless otherwise expressly stated:

- (a) capitalized terms used but not otherwise defined herein shall have the meaning as defined in the Acquisition Agreement;
- (b) the division of this Plan of Arrangement into articles, sections and subsections and the insertion of headings are for convenience of reference only and shall not affect in any way the construction or interpretation of this Plan of Arrangement;
- (c) the words "herein", "hereof", "hereto", "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular article, section or subsection;
- (d) words importing the singular number include the plural and vice versa, and words importing the use of any gender include all genders;
- (e) the words "including" and "includes" mean "including (or includes) without limitation";
- (f) all sums of money referred to in this Plan of Arrangement are expressed in lawful money of Canada; and
- (g) references to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

**ARTICLE 2**  
**ACQUISITION AGREEMENT**

- 2.1 This Plan of Arrangement is made pursuant and subject to the provisions of the Acquisition Agreement.
- 2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and other documents as required by the ABCA with the Registrar and the issue of the Certificate of Arrangement, will become effective on, and will be binding on and after, the Effective Time on: (a) InPlay, (b) Prairie Storm; (c) PSEC; (d) registered and beneficial Prairie Storm Shareholders; and (e) all other Persons.
- 2.3 The Articles of Arrangement and the Certificate of Arrangement shall be filed and issued, respectively, with respect to the Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein. If no Certificate of Arrangement is required to be issued by the Registrar pursuant to subsection 193(11) of the ABCA, the Arrangement shall become effective at the Effective Time on the date the Articles of Arrangement are filed with the Registrar pursuant to subsection 193(10) of the ABCA.

**ARTICLE 3**  
**ARRANGEMENT**

- 3.1 Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order without any further act or formality except as otherwise provided herein:
- (a) each Prairie Storm Share held by a Dissenting Prairie Storm Shareholder shall be transferred to InPlay (free and clear of any Encumbrances) and cancelled and each Dissenting Prairie Storm Shareholder shall become entitled to be paid the fair value of such Prairie Storm Share and the Dissenting Prairie Storm Shareholder shall cease to have any rights as a holder of such Prairie Storm Share other than the right to be paid the fair value of such Prairie Storm Share in accordance with Section 5.1 of this Plan of Arrangement, less any withholdings required in accordance with Section 4.8 of this Plan of Arrangement;
  - (b) each outstanding Prairie Storm Share (other than those held by Dissenting Prairie Storm Shareholders) shall be transferred to InPlay (free and clear of any Encumbrances) in exchange for the Equity Consideration and the Cash Consideration, less any withholdings required in accordance with Section 4.8 of this Plan of Arrangement;
  - (c) (i) the stated capital account maintained in respect of the Prairie Storm Shares shall be reduced to \$1 without payment therefor; and (ii) the stated capital account maintained in respect of each class of shares in the capital of PSEC shall be reduced to \$1 without payment therefor;
  - (d) InPlay, Prairie Storm, and PSEC shall amalgamate pursuant to Section 184 of the ABCA and continue as one corporation in accordance with this Plan of Arrangement, including the following:
    - (i) the name of AmalCo shall be "InPlay Oil Corp.";
    - (ii) the registered office of AmalCo shall be the registered office of InPlay;

- (iii) the share provisions and authorized share capital of AmalCo shall be the same as the share provisions and authorized share capital of InPlay;
- (iv) there shall be no restrictions on the business that AmalCo may carry on or on the powers it may exercise;
- (v) the other provisions forming part of the Articles of Arrangement shall be the same as the respective provisions of the articles of InPlay;
- (vi) the first directors of AmalCo, who shall hold office until the next annual meeting of shareholders of AmalCo or until their successors are elected or appointed, shall be the directors of InPlay;
- (vii) the by-laws of AmalCo shall be the by-laws of InPlay in effect prior to the Effective Time;
- (viii) the property of each of InPlay, Prairie Storm, and PSEC continues to be the property of AmalCo;
- (ix) AmalCo shall continue to be liable for the obligations of InPlay, Prairie Storm, and PSEC;
- (x) an existing cause of action, claim or liability to prosecution against InPlay, Prairie Storm, or PSEC shall be unaffected;
- (xi) a civil, criminal or administrative action or proceeding pending by or against InPlay, Prairie Storm, or PSEC may be continued to be prosecuted by or against AmalCo;
- (xii) a conviction against, or ruling, order or judgment in favour of or against InPlay, Prairie Storm, or PSEC may be enforced by or against AmalCo;
- (xiii) the Articles of Arrangement are deemed to be the articles of amalgamation of AmalCo and the Certificate of Arrangement is deemed to be the certificate of amalgamation of AmalCo;
- (xiv) on the amalgamation:
  - (A) each issued and outstanding share in the capital of Prairie Storm, and PSEC shall be cancelled without any repayment of capital, and such holder's name shall be removed from the register of holders of shares in the capital of Prairie Storm, and PSEC, as the case may be, as of the Effective Time; and
  - (B) the issued and outstanding InPlay Shares shall survive and continue to be shares of AmalCo without amendment.

3.2 With respect to each Prairie Storm Shareholder at the Effective Time, upon the transfer of each Prairie Storm Share pursuant to Section 3.1(a) or 3.1(b) of this Plan of Arrangement, as applicable:

- (a) each Prairie Storm Shareholder shall cease to be a holder of Prairie Storm Shares so transferred (or deemed to be transferred) and the name of such Prairie Storm Shareholder shall be removed from the register of holders of Prairie Storm Shares as it relates to the Prairie Storm Shares so transferred to InPlay;
  - (b) InPlay shall be added to the register of holders of Prairie Storm Shares as it relates to the Prairie Storm Shares so transferred to InPlay; and
  - (c) InPlay shall allot, issue and deliver, as the case may be, to such Prairie Storm Shareholder the Equity Consideration and the Cash Consideration payable to such Prairie Storm Shareholder on the basis set forth in Section 3.1(b) and the name of such Prairie Storm Shareholder shall be added to the register of holders of InPlay Shares.
- 3.3 The Arrangement shall be structured such that, assuming the Arrangement Resolution is approved by the Prairie Storm Shareholders at the Prairie Storm Meeting and the Final Order is obtained, the issuance or deemed issuance, for purposes of the United States Securities Act of 1933, as amended, as applicable, of the InPlay Shares to the Prairie Storm Shareholders under the Arrangement will not require registration under the United States Securities Act of 1933, as amended, in reliance on the exemption provided by Section 3(a)(10) thereof.
- 3.4 A Prairie Storm Shareholder who receives InPlay Shares under the Arrangement shall be entitled to make an income tax election, pursuant to subsection 85(1) or 85(2) of the Tax Act, as applicable (and the analogous provisions of provincial Tax Laws). InPlay shall make available on the InPlay website a pre-signed version of the required Tax Act forms prior to 30 days following the Effective Date. A Prairie Storm Shareholder who is required to file a similar provincial election form must provide a signed copy of the duly completed prescribed provincial election form to InPlay within 90 days following the Effective Date. Such prescribed provincial election form will be signed by InPlay and returned to the former Prairie Storm Shareholder within 30 days of receipt thereof by InPlay for filing with the applicable Governmental Authority. InPlay will not be responsible for the proper completion of any election form and InPlay will not be responsible for any Taxes resulting from the failure by a former Prairie Storm Shareholder to properly complete or file the election forms in the form and manner and within the time prescribed by the Tax Act (and any applicable provincial Tax Laws).

#### **ARTICLE 4 CLOSING PROCEDURES**

- 4.1 From and after the Effective Time, certificates or direct registration system advices formerly representing Prairie Storm Shares shall represent only the right to receive the Equity Consideration and Cash Consideration to which the former Prairie Storm Shareholders are entitled under the Arrangement or, in case of Dissenting Prairie Storm Shareholders, under Section 5.1.
- 4.2 AmalCo shall cause the Depositary to, as soon as practicable following the later of the Effective Date and the date of deposit by a former holder of Prairie Storm Shares of a duly completed Letter of Transmittal, the certificates or direct registration system advices representing such Prairie Storm Shares and such other documents and instruments as the Depositary may reasonably require, either:
- (a) forward or cause to be forwarded by first class mail (postage prepaid) to such former holder of Prairie Storm Shares at the address specified in the Letter of Transmittal; or

- (b) if requested by such former holder of Prairie Storm Shares in the Letter of Transmittal, make available or cause to be made available at the Depository for pickup by such holder,

the certificates for the Equity Consideration and cheques representing the Cash Consideration to which such former holder of Prairie Storm Shares is entitled to receive pursuant to the Arrangement, less any withholdings required in accordance with Section 4.8 of this Plan of Arrangement.

- 4.3 AmalCo's transfer agent shall register InPlay Shares in the name of each former Prairie Storm Shareholder entitled thereto or as otherwise instructed in the Letter of Transmittal deposited by such former Prairie Storm Shareholder and shall deliver such InPlay Shares in accordance with Section 4.2 of this Plan of Arrangement and the terms and conditions of the Letter of Transmittal.
- 4.4 If any certificate which immediately prior to the Effective Time represented an interest in outstanding Prairie Storm Shares has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the Depository shall deliver in exchange for such lost stolen or destroyed certificate the Equity Consideration and Cash Consideration to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with this Plan of Arrangement. Such holder who is entitled to receive such Equity Consideration and Cash Consideration shall, as a condition precedent to the receipt thereof, give a bond to each of the Depository and AmalCo, which bond is in form and substance satisfactory to each of the Depository and AmalCo, acting reasonably, or shall otherwise indemnify the Depository and AmalCo against any claim that may be made against either of them with respect to the certificate alleged to have been lost, stolen or destroyed.
- 4.5 Notwithstanding anything herein contained, no fractional InPlay Shares will be issued. In the event that a Prairie Storm Shareholder would otherwise be entitled to a fractional InPlay Share hereunder, the number of InPlay Shares issued to such Prairie Storm Shareholder shall be rounded down to the next lesser whole number of InPlay Shares. In calculating such fractional interests, all Prairie Storm Shares registered in the name of or beneficially held by a Prairie Storm Shareholder or its nominee shall be aggregated.
- 4.6 Any certificate or direct registration system advice formerly representing Prairie Storm Shares that is not deposited with all other documents as required by this Plan of Arrangement on or before the last Business Day prior to the third anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature, including the right of the holder of such certificate or direct registration system advice to receive the Equity Consideration and the Cash Consideration to which such holder is entitled to receive pursuant to the Arrangement. On such date, all such consideration and other property to which such former holder was entitled shall be deemed to be surrendered to AmalCo together with all dividends paid or distributions made thereon held for such holder.
- 4.7 All dividends or other distributions, if any, made in respect of InPlay Shares to which a former Prairie Storm Shareholder is entitled to receive under the Arrangement, but for which a certificate or direct registration system advice representing the InPlay Shares has not been delivered to such former Prairie Storm Shareholder in accordance with this Article 4, shall be paid or delivered to the Depository to be held in trust for such former Prairie Storm Shareholder for delivery to such former Prairie Storm Shareholder, less any withholdings required in accordance with Section 4.8 of this Plan of Arrangement, upon delivery of the certificates or direct registration system advices formerly representing Prairie Storm Shares in accordance with this Article 4, or surrendered to AmalCo pursuant to Section 4.6 of this Plan of Arrangement, as the case may be.

- 4.8 Prairie Storm and InPlay (and AmalCo, as their successor) shall be entitled to deduct and withhold from any consideration otherwise payable to any Prairie Storm Shareholder and, for greater certainty, from any amount payable to a Dissenting Prairie Storm Shareholder, as the case may be, under the Arrangement such amounts as Prairie Storm and InPlay (and AmalCo, as their successor) are required or reasonably believe to be required to deduct and withhold from such consideration in accordance with Applicable Laws. Any such amounts will be deducted and withheld from the consideration payable under the Arrangement and shall be treated for all purposes as having been paid to the Prairie Storm Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Governmental Authority.

## **ARTICLE 5 DISSENT RIGHTS**

- 5.1 Each registered holder of Prairie Storm Shares shall have the right to dissent with respect to the Arrangement in accordance with the Interim Order and this Article 5. Each Dissenting Prairie Storm Shareholder shall be deemed to have transferred the holder's Prairie Storm Shares to InPlay at the Effective Time in accordance with Section 3.1(a) of this Plan of Arrangement, notwithstanding the provisions of Section 191 of the ABCA. A Dissenting Prairie Storm Shareholder shall, at the Effective Time, cease to have any rights as a holder of Prairie Storm Shares and shall only be entitled to be paid the fair value of the holder's Prairie Storm Shares. A Prairie Storm Shareholder who purports to exercise Dissent Rights but for any reason is not entitled to be paid the fair value of the holder's Prairie Storm Shares shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Prairie Storm Shareholder in accordance with Section 3.1(b) of this Plan of Arrangement. The fair value of the Prairie Storm Shares shall be determined as of the close of business on the last Business Day before the day on which the Arrangement Resolution is approved by the Prairie Storm Shareholders at the Prairie Storm Meeting, but in no event shall InPlay or AmalCo, as applicable, be required to recognize such Dissenting Prairie Storm Shareholder as a shareholder of InPlay, Prairie Storm or AmalCo or their respective successors after the Effective Time and the name of such Dissenting Prairie Storm Shareholder shall be removed from register of holders of Prairie Storm Shares as at the Effective Time in accordance with Section 3.2 of this Plan of Arrangement. For greater certainty, in addition to any other restrictions in Section 191 of the ABCA or the Interim Order, no Prairie Storm Shareholder who has voted in favour of the Arrangement Resolution at the Prairie Storm Meeting shall be entitled to dissent with respect to the Arrangement. In addition, a Dissenting Prairie Storm Shareholder may only exercise Dissent Rights in respect of all, and not less than all, of its Prairie Storm Shares.

## **ARTICLE 6 AMENDMENTS**

- 6.1 Prairie Storm and InPlay may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be: (a) set out in writing; (b) approved by the Parties; (c) filed with the Court and, if made following the Prairie Storm Meeting, approved by the Court; and (d) communicated to the Prairie Storm Shareholders, if and as required by the Court.
- 6.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Prairie Storm or InPlay at any time prior to or at the Prairie Storm Meeting (provided that the other Party shall have approved it) with or without any other prior notice or communication, and if so proposed and accepted by the Prairie Storm Shareholders at the Prairie Storm Meeting (other than

as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

- 6.3 Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Prairie Storm Meeting shall be effective only if (a) it is consented to by each of Prairie Storm and InPlay, and (b) if required by the Court or Applicable Law, it is approved by the Prairie Storm Shareholders.
- 6.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time by AmalCo, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of AmalCo, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of AmalCo or any former Prairie Storm Shareholder.

#### **ARTICLE 7 FURTHER ASSURANCES**

- 7.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein.
- 7.2 Subject to the terms of the Acquisition Agreement, Prairie Storm and InPlay may agree not to implement this Plan of Arrangement, notwithstanding the approval of the Arrangement Resolution by the Prairie Storm Shareholders at the Prairie Storm Meeting and the receipt of the Final Order.

**SCHEDULE "B"**  
**FORM OF PRAIRIE STORM SUPPORT AGREEMENT**

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(See attached)

## SUPPORT AGREEMENT

September \_\_\_\_\_, 2021

Dear Securityholder:

### **Re Acquisition Agreement between InPlay Oil Corp. and Prairie Storm Resources Corp.**

Prairie Storm Resources Corp. ("**Prairie Storm**") and InPlay Oil Corp. ("**InPlay**") have entered into an acquisition agreement dated as of the date hereof (the "**Acquisition Agreement**"), pursuant to which InPlay has agreed to acquire all of the issued and outstanding common shares of Prairie Storm (the "**Prairie Storm Shares**"), including any Prairie Storm Shares that are issued prior to the completion of such acquisition pursuant to the exercise of outstanding options to purchase Prairie Storm Shares (the "**Prairie Storm Options**"), by way of a plan of arrangement under the *Business Corporations Act* (Alberta) (the "**Acquisition**"). Pursuant to the Acquisition, among other things, each Prairie Storm Shareholder shall receive the Cash Consideration and Equity Consideration (each as defined in the Acquisition Agreement) for each Prairie Storm Share held. As a condition to InPlay entering into the Acquisition Agreement and incurring the obligations set forth therein, InPlay has required the undersigned securityholder (the "**Securityholder**", and, together with InPlay, the "**Parties**" and, individually, a "**Party**") to enter into this support agreement (the "**Agreement**"). Unless otherwise defined in this Agreement, capitalized terms shall have the meanings ascribed thereto in the Acquisition Agreement.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Securityholder, the Parties agree as follows:

#### **1. Ownership of Prairie Storm Securities**

InPlay understands that the Securityholder is the beneficial owner of, directly or indirectly, or exercises control or direction over, the number of: (a) Prairie Storm Shares and; (b) Prairie Storm Options, each as set forth in Schedule "A" hereto (collectively, such Prairie Storm Shares, and, if applicable, Prairie Storm Options, are referred to as the "**Subject Securities**", which term shall include any Prairie Storm Shares issued to the Securityholder after the date hereof pursuant to the exercise of any Prairie Storm Options, and any other securities of Prairie Storm over which the Securityholder otherwise acquires beneficial ownership of, directly or indirectly, or control or direction over, after the date hereof).

#### **2. Revocation of Previous Proxies**

The Securityholder hereby revokes any and all previous proxies granted with respect to the Subject Securities.

#### **3. Covenants of the Securityholder**

The Securityholder irrevocably covenants and agrees to and for the benefit of InPlay that, from the date hereof until the termination of this Agreement in accordance with Section 10 hereof, the Securityholder shall:

- (a) attend (either in person or by proxy) any meeting of Prairie Storm Shareholders convened for the purposes of considering the Acquisition Resolution (including, the Prairie Storm Meeting and any adjournments and postponements thereof), cause its Subject Securities (which have a right to vote at such meeting) to be counted as present (in person or by proxy) for purposes of establishing quorum and vote or cause to be voted, to the extent applicable, all of the Subject Securities to approve: (i) the Acquisition and each of the other transactions contemplated by the Acquisition Agreement (including the Acquisition Resolution); and (ii) any other matter necessary for the consummation of the Acquisition or any other transaction contemplated by the Acquisition Agreement;

- (b) vote or cause to be voted (in person or by proxy) any Subject Securities against, and, in the case of Section 3(b)(i), not tender or cause to be tendered any Subject Securities to:
  - (i) any corporate transaction, such as a merger, amalgamation, arrangement, rights offering, reorganization, recapitalization, share consolidation or liquidation, take-over bid, exchange offer, change of control or similar transaction involving Prairie Storm or the Prairie Storm Shares (other than the Acquisition) or any Acquisition Proposal;
  - (ii) a sale or transfer of all or substantially all of the assets of Prairie Storm or any of its subsidiaries or the issuance of any securities of Prairie Storm; or
  - (iii) any action, agreement, transaction or proposal that is reasonably likely to: (A) result in a material breach of any representation, warranty, covenant, agreement or other obligation of Prairie Storm in the Acquisition Agreement, or result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Securityholder under this Agreement; or (B) impede, interfere with, prevent or delay, in any material respect, the transactions contemplated by the Acquisition Agreement or the completion of the Acquisition, including any Acquisition Proposal;
- (c) not, directly or indirectly: (i) exercise any Dissent Rights available to the Securityholder in respect of the Acquisition; or (ii) exercise any other shareholder rights or remedies available to the Securityholder, whether arising under statute, at common law or otherwise, to impede, interfere with, prevent or delay the Acquisition;
- (d) not, directly or indirectly, sell, transfer, assign, option, pledge, hypothecate, grant a security interest in or otherwise convey or dispose of (other than by operation of Applicable Laws) (each a "**Transfer**") or enter into any agreement, understanding or other arrangement relating to the Transfer of any of the Subject Securities (other than Prairie Storm Options: (i) in respect of which the Securityholder has exercised his or her right to acquire Prairie Storm Shares in accordance with their terms; or (ii) that are subject to a Prairie Storm Option Exercise and Cancellation Agreement to be entered into between the Securityholder and Prairie Storm) or permit any affiliate of the Securityholder to do any of the foregoing without the prior written consent of InPlay, acting reasonably;
- (e) not grant or agree to grant any proxy or other right to vote any of the Subject Securities that is inconsistent with the terms hereof, or enter into any voting trust, pooling or other agreement with respect to the right to vote, call meetings of Prairie Storm Shareholders or give consents or approvals of any kind with respect to the Subject Securities (other than in connection with the performance by the Securityholder of its obligations hereunder);
- (f) not, directly or indirectly, by himself or herself or through another Person: (i) solicit, assist or knowingly facilitate, initiate or encourage (including by way of furnishing information, or entering into any form of written or oral agreement, arrangement or understanding) any Acquisition Proposal or inquiries, proposals or offers regarding any Acquisition Proposal; (ii) enter into or participate in any discussions or negotiations regarding an Acquisition Proposal, or furnish to any Person any information with respect to Prairie Storm's businesses, properties, operations, prospects or conditions (financial or otherwise) in connection with an Acquisition Proposal or otherwise cooperate in any way with, or assist or knowingly participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing; (iii) waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of, any rights or other benefits under confidential information agreements, including, without limitation, any "standstill provisions" thereunder; or (iv) accept, recommend, approve, agree to, endorse, or propose publicly to accept, recommend, approve, agree to, or endorse any Acquisition Proposal (other than a Superior Proposal) or agreement in respect thereto; provided, however, that the foregoing shall not prevent a Securityholder who is a director or officer of Prairie Storm from exercising his or her fiduciary duty

under Applicable Laws as a director or officer. Notwithstanding the foregoing, nothing in this Section 3(f) shall derogate from the Securityholder's obligations to vote the Subject Securities in accordance with the terms and conditions of this Agreement and to not Transfer (as defined above) the Subject Securities to any Person other than pursuant to the Acquisition Agreement and the Acquisition;

- (g) the Securityholder shall immediately cease and cause to be terminated all existing discussions or negotiations (including, without limitation, through any advisors, representatives, agents or other parties on its behalf) with any parties (other than InPlay) initiated before the date of this Agreement with respect to any Acquisition Proposal;
- (h) in connection with the solicitation of proxies for any meeting of Prairie Storm Shareholders to be held to consider the Acquisition Resolution (a "**Special Meeting**"), use the Securityholder's commercially reasonable efforts to furnish to legal counsel of Prairie Storm, the information relating to the Securityholder (if any) required by Applicable Canadian Securities Laws to be set forth in the Circular or in any other applicable regulatory filing required in connection with the Acquisition. The Securityholder covenants and agrees that the information relating to the Securityholder furnished by the Securityholder for inclusion in the Circular will not contain any untrue statement of a material fact or omit to state a material fact which is necessary in order to make the statements therein not misleading;
- (i) promptly notify InPlay upon any of the Securityholder's representations or warranties contained in this Agreement becoming untrue or incorrect in any material respect; and
- (j) if it is a director and/or officer of Prairie Storm or any of its subsidiaries, subject to satisfaction of any "change of control" or other severance obligations under applicable employment agreements and other arrangements between the Securityholder and Prairie Storm or its subsidiaries, as applicable, if requested by Prairie Storm or InPlay, resign as a director and/or officer of Prairie Storm and its subsidiaries, as applicable, effective as of the Effective Time, and to provide a mutual release to Prairie Storm and its subsidiaries, as applicable, and their respective affiliates and successors, in a form and substance satisfactory to InPlay, acting reasonably.

#### **4. Grant of Proxy**

The Securityholder hereby covenants and agrees in favour of InPlay that: (a) no later than five Business Days prior to the scheduled date of any Special Meeting, the Securityholder shall duly complete and cause forms of proxy or voting instruction forms, as applicable, in respect of all the Subject Securities to be validly delivered as required to cause the Subject Securities to be voted to approve the Acquisition Resolution; and (b) such forms of proxy or voting instruction forms, as applicable, shall not be revoked or withdrawn without the prior written consent of InPlay or unless this Agreement is terminated in accordance with its terms.

#### **5. Representations and Warranties of the Securityholder**

The Securityholder hereby represents and warrants to InPlay (and acknowledges that InPlay is relying upon such representations and warranties) that, as of the date of this Agreement and on the Effective Date:

- (a) the Securityholder is the registered and/or beneficial owner of, or exercises control or direction over, the Subject Securities with valid and marketable title thereto, free and clear of all claims, liens, charges, encumbrances and security interests, other than those arising by operation of statute, and no Person has any agreement, option, or any right or privilege capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the Subject Securities from the Securityholder or any interest therein or right thereto, except pursuant to the Acquisition Agreement and, in the case of the Prairie Storm Options, pursuant to the Prairie Storm Option Exercise and Cancellation Agreement to be entered into between the Securityholder and Prairie Storm and as expressly provided in the terms of the Prairie Storm Option Plan;

- (b) the Securityholder does not own or have any interest in any securities of Prairie Storm (including securities, which by their terms are exercisable for or convertible into or exchangeable for Prairie Storm Shares) other than the Subject Securities;
- (c) the Securityholder has good and sufficient power, authority and right to enter into this Agreement and to complete the transactions and perform its obligations contemplated hereby;
- (d) the Securityholder is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against the Securityholder in accordance with its terms, and the execution of this Agreement will not constitute a violation or breach of or default under, or conflict with, any contract, commitment, agreement, understanding or arrangement of any kind to which the Securityholder is a party and by which the Securityholder is bound;
- (e) the Securityholder has not previously granted or agreed to grant any ongoing proxy in respect of the Subject Securities or entered into any voting trust, pooling or other agreement with respect to the right to vote, call meetings of Prairie Storm Shareholders or give consents or approvals in any way affecting the Subject Securities;
- (f) no consent, waiver, approval, authorization, exemption, registration, license or declaration of or by, or filing with, or notification to any Governmental Authority is required to be made or obtained by the Securityholder in connection with: (i) the execution and delivery by the Securityholder and enforcement against the Securityholder of this Agreement; or (ii) the consummation of any of the transactions or performance of obligations by the Securityholder provided for herein; and
- (g) there are no legal proceedings in progress or pending before any Governmental Authority or threatened against the Securityholder that could be reasonably expected to adversely affect in any manner the ability of the Securityholder to enter into this Agreement and to perform its obligations hereunder or the title of the Securityholder to any of the Subject Securities and there is no judgment, decree or order against the Securityholder that could be reasonably expected to adversely affect in any manner the ability of the Securityholder to enter into this Agreement and to perform its obligations hereunder or the title of the Securityholder to any of the Subject Securities.

## **6. Representations and Warranties of InPlay**

InPlay hereby represents and warrants to and covenants with the Securityholder (and acknowledges that the Securityholder is relying upon such representations and warranties) that, as of the date of this Agreement and on the Effective Date:

- (a) InPlay is duly formed and validly existing under the laws of its jurisdiction of formation. InPlay has all necessary corporate power, authority, capacity and right to enter into this Agreement and to carry out each of its obligations under this Agreement and to consummate the transactions contemplated hereby; and
- (b) InPlay is duly authorized to execute and deliver this Agreement and this Agreement, upon acceptance by the Securityholder, will be a valid and binding agreement, enforceable against InPlay in accordance with its terms, and the execution of this Agreement will not constitute a violation or breach of or default under, or conflict with, any contract, commitment, agreement, understanding or arrangement to which InPlay is a party and by which InPlay is bound.

## **7. Control over Corporation or Trust**

If any of the Subject Securities are held through a corporation or trust over which the Securityholder has control, within the meaning of the *Securities Act* (Alberta), the Securityholder shall act, vote and exercise its power and authority to ensure that this Agreement is complied with by such corporation or trust.

## **8. Directors and Officers of Prairie Storm**

InPlay acknowledges and agrees that the Securityholder is bound hereunder solely in his or her capacity as a securityholder of Prairie Storm, and that the provisions hereof shall not be deemed or interpreted to bind the Securityholder in his or her capacity as a director, officer or employee of Prairie Storm or its subsidiaries, as applicable, and this Agreement shall not in any way: (a) restrict, limit or prohibit the Securityholder from exercising (in his or her capacity as a director and/or officer of Prairie Storm or its subsidiaries) his or her fiduciary duties under Applicable Laws (including any action permitted by the Acquisition Agreement); or (b) require the Securityholder, in his or her capacity as an officer of Prairie Storm or its subsidiaries, to take any action in contravention of, or omit to take any action pursuant to, or otherwise take or refrain from taking any actions which are inconsistent with, instructions or directions of the board of directors of Prairie Storm or its subsidiaries, as applicable, undertaken in the exercise of their fiduciary duties, provided that nothing in this Section 8 will be deemed to relieve the Securityholder from the Securityholder's obligations under any other provision of this Agreement as they relate to actions taken by the Securityholder solely in his or her capacity as a securityholder of Prairie Storm.

## **9. Expenses**

InPlay and the Securityholder each agree to pay their own expenses incurred in connection with this Agreement.

## **10. Termination**

The obligations hereunder of the Securityholder shall automatically terminate upon the earliest to occur of:

- (a) upon the mutual written agreement of the Securityholder and InPlay;
- (b) upon the termination of the Acquisition Agreement in accordance with its terms;
- (c) on the Effective Date; or
- (d) at the option of the Securityholder upon written notice to InPlay if the terms of the Acquisition Agreement are amended, modified, restated, replaced or superseded to reduce the amount, or change the form or composition, of the Consideration payable to the Prairie Storm Shareholders pursuant to the Acquisition.

## **11. Effect of Termination**

Upon termination of this Agreement in accordance with Section 10, the provisions of this Agreement will become void and be of no force or effect (other than Sections 9, 14, 15, and 19 to 24 which shall survive the termination of this Agreement) and no Party shall have any further liability under this Agreement; provided that, other than in the event of termination of this Agreement upon the occurrence of the Effective Time, neither the termination of this Agreement nor any provision of this Section 11 shall relieve either Party from any liability for any breach by it of this Agreement, including from any incorrectness or inaccuracy in its representations and warranties and any non-performance by it of any of its covenants made herein.

## **12. Amendment**

This Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by each of the Parties.

To the extent the Acquisition Agreement is amended, modified, restated, replaced or superseded from time to time, all references herein to the Acquisition Agreement shall be to the Acquisition Agreement as amended, modified or restated from time to time or to the agreement which has replaced or superseded it from time to time, and any and all references to particular sections of the Acquisition Agreement shall be deemed to be references to the analogous provision in the Acquisition Agreement as amended, modified or restated from time to time or to the agreement which has replaced or superseded it from time to time.

**13. Assignment**

No Party may assign any of its rights or obligations under this Agreement without the prior written consent of the other Party.

**14. Disclosure**

Prior to the first public disclosure by Prairie Storm and InPlay of the existence and terms and conditions of the Acquisition Agreement and this Agreement, neither of the Parties shall disclose the existence of this Agreement or any details hereof, or the possibility of the Acquisition or any terms or conditions or other information concerning the Acquisition to any Person other than to (a) the Securityholder's advisors, or the directors, officers and advisors of Prairie Storm and its subsidiaries, and (b) the directors and officers of InPlay and InPlay's advisors, without the prior written consent of the other Party, except to the extent required by Applicable Laws or any applicable stock exchange rules or policies of regulatory authorities. The existence and terms and conditions of this Agreement may be disclosed by Prairie Storm and InPlay in press releases issued in connection with and subsequent to the execution of the Acquisition Agreement and other public disclosure documents in accordance with Applicable Canadian Securities Laws and a copy of this Agreement may be filed by Prairie Storm and/or InPlay with the applicable securities regulatory authorities under Applicable Canadian Securities Laws.

**15. Independent Legal Advice**

The Securityholder acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that the Securityholder has either done so or waived their right to do so in connection with the entering into of this Agreement.

**16. Further Assurances**

The Securityholder shall from time to time and at all times hereafter at the request of InPlay but without further consideration, do and perform all such further acts, matters and things and execute and deliver all such further documents, deeds, assignments, agreements, notices and writings and give such further assurances as shall be reasonably required for the purpose of giving effect to this Agreement.

**17. Successors**

This Agreement will be binding upon, enure to the benefit of and be enforceable by InPlay and the Securityholder and their respective successors and permitted assigns.

**18. Time of the Essence**

Time shall be of the essence of this Agreement.

**19. Unenforceable Terms**

If any provision of this Agreement or the application thereof to any Party or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement or application of such provisions to a Party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining provision of this Agreement shall be deemed to be valid and shall be enforceable to the fullest extent permitted by Applicable Laws.

## 20. Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be sufficiently given if delivered or sent by email transmission with confirmation of receipt:

- (a) in the case of the Securityholder to:

Prairie Storm Resources Corp.  
Suite 2000, 350 – 7th Avenue S.W.  
Calgary, Alberta T2P 3N9

Attention: Hugh Ross  
Email: [Redacted]

- (b) in the case of InPlay to:

InPlay Oil Corp.  
920, 640 – 5th Avenue SW  
Calgary, Alberta T2P 3G4

Attention: Douglas Bartole  
Email: [Redacted]

or at such other address or email number as the Party to which such notice or other communication is to be given has last notified the Party giving the same in the manner herein provided. Any notice or communication so given shall be deemed to be received on the day of delivery, if delivered, and on the day of sending, if sent by email transmission; provided that if such day of delivery or sending is not a Business Day then such notice or communication shall be deemed to have been received on the first Business Day thereafter.

## 21. Applicable Law

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Alberta and the Laws of Canada applicable therein and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

## 22. No Strict Construction

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

## 23. Entire Agreement

This Agreement constitutes the entire agreement among the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof. Other than as set forth in this Agreement, no representation or warranty has been given by any Party to the other.

## 24. Specific Performance and other Equitable Remedies

Each of the parties recognizes and acknowledges that this Agreement is an integral part of the transactions contemplated in the Acquisition Agreement, that InPlay would not enter into the Acquisition Agreement unless this Agreement was executed, and accordingly acknowledges and agrees that a breach by the Securityholder of any covenants or other commitments contained in this Agreement will cause InPlay to sustain injury for which it would not have an adequate remedy at law for money damages. Therefore, each of the Parties agree that in the event of any such breach, InPlay shall be entitled to the remedy of specific performance of such covenants or commitments and

preliminary and permanent injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity, and the Securityholder further agrees to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief.

**25. Counterparts**

This Agreement may be executed and delivered in counterparts and by portable document format or other electronic means, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

*[Signature page follows]*

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

**INPLAY OIL CORP.**

By: \_\_\_\_\_  
Name: Douglas J. Bartole  
Title: President and Chief Executive Officer

**SECURITYHOLDER:**

\_\_\_\_\_  
Name:  
Address:  
  
\_\_\_\_\_  
  
\_\_\_\_\_

**SCHEDULE "A"**  
**SUBJECT SECURITIES**

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As of the date hereof, the Securityholder beneficially owns, directly or indirectly, or exercises control or direction over the Subject Securities indicated below:

_____	Prairie Storm Shares
_____	Prairie Storm Options