

LPG SERVICES MANAGEMENT AGREEMENT

This Agreement made as of the 1st day of January, 2021,

BETWEEN:

MIDSTREAM LPG PARTNERSHIP, a general partnership established under the laws of the Province of Alberta (hereinafter called the "LPG Manager")

OF THE FIRST PART

- AND -

WHITEMUD RESOURCES INC., a body corporate incorporated under the laws of the Province of Alberta, carrying on business through its division called "Midstream Energy Partners" ("Whitemud-MEP")

OF THE SECOND PART

WHEREAS Whitemud Resources Inc. carries on business in the Kaolin mining, processing and marketing business and, through its Midstream Energy Partners division, in the marketing and logistics aspects of the liquified petroleum gases ("LPG") business;

AND WHEREAS prior to December 15, 2020, Whitemud-MEP obtained certain of its LPG supply volumes from Petrogas Energy Corp. ("Petrogas") pursuant to the terms of certain LPG Purchase and Sale Contracts (the "Whitemud Petrogas Contracts");

AND WHEREAS in conjunction with certain financial arrangements between Petrogas and Whitemud-MEP, the Whitemud Petrogas Contracts were terminated effective as of December 15, 2020 (the "Petrogas/Whitemud Financial Arrangements");

AND WHEREAS Whitemud-MEP wishes to engage the LPG Manager on the terms and conditions hereinafter set forth to provide certain marketing and logistical services to Whitemud-MEP in connection with its purchasing and selling propane and butane during the term of this Agreement (the "LPG Services");

NOW THEREFORE this Agreement witnesses that in consideration of the terms and conditions hereinafter set forth, the parties hereto have agreed as follows.

1. **Appointment of the LPG Manager.** Whitemud-MEP hereby appoints the LPG Manager to act on its behalf in providing the LPG Services.

2. **Term.** The term of this Agreement shall be from the date hereof to and including September 30, 2022, provided however that the provision of LPG Services by the LPG Manager may be terminated at any time prior to the said date by mutual agreement between Whitemud-MEP and the LPG Manager. Notwithstanding the foregoing, if the LPG Manager is prepared to continue to provide the LPG Services to Whitemud-MEP after September 30, 2022, and if Whitemud-MEP is prepared to continue to receive the LPG Services from the LPG Manager after that date, then this Agreement shall continue thereafter subject to termination by either party on one (1) clear calendar month's notice to the other party.

3. **Duties of the LPG Manager.**

(a) **Included Within the LPG Services.** Included within the LPG Services shall be business strategy, financial management and financial support, transportation and logistics and market intelligence, all of which are to be provided to Whitemud-MEP by the LPG Manager in connection with the LPG Services.

(b) **Exclusions Within the LPG Services.** Notwithstanding anything to the contrary herein, the following functions shall be excluded from the LPG Services:

(i) accounting services rendered to Whitemud-MEP or the LPG Manager in relation to the LPG Services by an independent accounting firm; and

(ii) legal services provided to Whitemud-MEP or to the LPG Manager by an independent law firm.

(c) **Whitemud Volumetric Limit.** As part of the Petrogas/Whitemud Financial Arrangements, Whitemud-MEP retained the right to enter into contracts with other persons or parties for the purchase and sale of propane and butane in a manner similar in nature to the Whitemud Petrogas Contracts and otherwise reasonably necessary for Whitemud-MEP to meet its obligations necessary to maintain its ongoing operations and preserve its existing



business. However, Whitemud-MEP committed to Petrogas that such contracts shall not involve volumes of propane and butane purchased in each contract year (April 1st to March 31st) during the period up to September 30, 2022, for resale in quantities exceeding 160,000 cubic meters per annum (the "Whitemud Volumetric Limit"). The LPG Manager shall limit its LPG Services so as to not exceed the Whitemud Volumetric Limit.

(d) **Confidentiality.** In connection with the provision of the LPG Services, Whitemud-MEP may disclose Confidential Information (as defined below) to the LPG Manager. The LPG Manager shall use the Confidential Information solely for the purpose of providing the LPG Services and shall not disclose the Confidential Information other than to its employees, officers, directors, lawyers, accountants and financial advisors (collectively the "Representatives") who: (i) need access to such information for the purpose of providing the LPG Services; (ii) are informed of its confidential nature; and (iii) are bound by written confidentiality obligations no less protective of the Confidential Information than the terms contained herein.

4. Compensation and Reimbursement for Services.

(a) **Fees for Management Services.** As consideration for the LPG Manager providing the LPG Services to Whitemud-MEP, Whitemud-MEP shall pay to the LPG Manager a management fee equal to 15% of the net profits realized through the performance by the LPG Manager of the LPG Services on behalf of Whitemud-MEP over the course of each calendar year. Such fee shall be pro-rated for any part of a calendar year during the term or any extended term hereof.

(b) **Reimbursement for Part of Salary Load.** The parties recognize that for the LPG Manager to provide the LPG Services as contemplated hereunder, it shall be necessary for it to retain the services of a qualified and experienced LPG marketing person (the "Marketing Person"). The LPG Manager shall, at its exclusive discretion, retain such a Marketing Person as an employee of the LPG Manager and shall provide Whitemud-MEP with notice of the identity and qualifications of such Marketing Person. Such notice shall include disclosure of the salary and other benefits extended to the Marketing Person. Whitemud-MEP shall reimburse the LPG Manager, on a quarterly basis, for up to 50% of the costs for salary and other benefits provided to the Marketing Person during the term based on the actual time spent on the LPG Services by the Marketing Person, provided however that such obligation to reimburse shall be limited to the net profits realized through the performance by the LPG Manager of LPG Services after payment of the 15% fee under Section 4(a).

5. Disclaimer; Limitation of Liability.

(a) **Disclaimer.** The LPG Manager makes no representations or warranties, express or implied, in respect of the LPG Services to be provided by it hereunder.

(b) **Limitation of Liability.** Neither the LPG Manager nor any of its officers, directors, principals, partners, employees, agents, representatives and affiliates (each a "Related Party" and, collectively, the "Related Parties") shall be liable to Whitemud-MEP or any of its affiliates for any loss, liability, damage or expense arising out of or in connection with the performance of any LPG Services contemplated by this Agreement, unless such loss, liability, damage or expense shall be proven to result directly from the willful misconduct of such person. In no event will the LPG Manager or any of its Related Parties be liable to Whitemud-MEP for special, indirect, punitive, exemplary or consequential damages, including, without limitation, loss of profits or lost business, even if the LPG Manager has been advised of the possibility of such damages. The liability of the LPG Manager and Related Parties hereunder shall not exceed, in the aggregate during any calendar year, the fees actually paid to the LPG Manager by Whitemud-MEP during that year.

6. **Independent Contractor.** Nothing herein shall be construed to create a joint venture or partnership between the parties hereto or an employee/employer relationship. The LPG Manager shall be an independent contractor under this Agreement. Nothing in this Agreement shall be deemed or construed to enlarge the duties and responsibilities of the LPG Manager or any of its Related Parties beyond what is expressly provided herein, including, without limitation, in any of their respective capacities as directors or officers of Whitemud-MEP.

7. **Permissible Activities.** Nothing herein shall in any way preclude the LPG Manager or its Affiliates or their respective Related Parties from engaging in any business activities or from performing services for its or their own account.

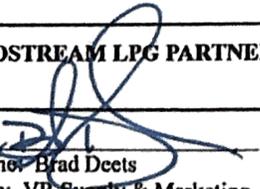
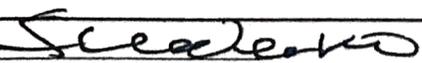
8. **Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand, or (b) on the date sent by email if sent during normal business hours, and on the next Business Day if sent after normal business hours. Such communications must be sent to the respective parties at their addresses specified from time to time by the parties in a notice given in accordance



with this Section 8.

9. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.
10. **Successor and Assigns.** This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns. However, neither this Agreement nor any of the rights or obligations of the parties hereunder may otherwise be transferred or assigned by any party hereto, except that (a) if Whitemud-MEP shall sell, or otherwise transfer substantially all its assets, to another body corporate which assumes Whitemud-MEP's obligations under this Agreement, Whitemud-MEP may assign its rights hereunder to that body corporate, and (b) the LPG Manager may assign its rights and obligations hereunder to any Affiliate. Any attempted transfer or assignment in violation of this Section 10 shall be null and void.
11. **Headings.** The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.
12. **Amendment and Modification; Waiver.** This Agreement may be amended, modified or supplemented only by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
13. **Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.
14. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the province of Alberta and the federal laws of Canada applicable therein.
15. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be deemed to be one and the same agreement. A signed copy of this Agreement delivered by email shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.
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16. **No Strict Construction.** The parties to this Agreement have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favouring or disfavouring any party by virtue of the authorship of any of the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this LPG Services Management Services Agreement on the date first written above.

MIDSTREAM LPG PARTNERSHIP
By  Name: Brad Deets Title: VP, Supply & Marketing
MIDSTREAM ENERGY PARTNERS, a division of Whitemud Resources Inc.
By  Name: Stan Owerko Title: President and CEO

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