

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Condor Energies Inc. (“**Condor**” or the “**Company**”)
Suite 1000, 521 – 3rd Avenue SW
Calgary, Alberta T2P 3T3

Item 2 Date of Material Change

July 14, 2023

Item 3 News Release

A news release disclosing the material change was disseminated on July 17, 2023 through the services of Globe Newswire.

Item 4 Summary of Material Change

On July 17, 2023, Condor announced the closing of its US\$5.9 million term loan facility (the “**Loan Facility**”) and corresponding private placement of common share purchase warrants (“**Warrants**”) with an exercise price of \$0.48 per Warrant.

Item 5.1 Full Description of Material Change

On July 17, 2023, Condor announced the closing of its Loan Facility and corresponding private placement of Warrants (the “**Transaction**”).

The Loan Facility comprises separate loans from a group of arm’s length lenders (each, a “**Lender**”) made pursuant to credit agreements between Condor and each Lender (the “**Credit Agreements**”) having an aggregate principal amount of US\$5.9 million (CA\$7.8 million). The Loan Facility bears interest at 9.0% per annum, is unsecured, non-revolving and is available for working capital requirements and general corporate purposes.

The Credit Agreements are on substantially the same terms, other than the timing for principal repayment, with certain of the Credit Agreements providing for the repayment of principal in eight quarterly installments commencing on October 14, 2024 (the “**Installment Credit Agreements**”) and the rest providing for repayment of the principal at maturity of the three year term in 2026 (the “**Maturity Credit Agreements**”). The form of Installment Credit Agreement is attached to this Report as Exhibit A, and the form of Maturity Credit Agreement is attached to this Report as Exhibit B. Of the Loan Facility’s aggregate principal amount of US\$5,900,000, US\$2,840,000 of principal is due in eight quarterly installments commencing on October 14, 2024 and US\$3,060,000 is due at maturity in 2026.

In connection with the Loan Facility, Condor issued a total of 2,600,002 Warrants at an exercise price of \$0.48 per Warrant. Each Lender received 1/3 of a Warrant for each dollar contributed to the Loan Facility (the “**Lender Warrants**”), for a total of 1,966,669 Lender Warrants issued by the Company. The Company also issued 1/6 of a Warrant to finders for each dollar of the Loan Facility loaned by a Lender introduced by such finders to the Company and accepted by the Company (the “**Finder’s Warrants**”), for a total of 633,333 Finder Warrants.

The Transaction was completed in two tranches, with the second and largest tranche

consisting of US\$5,390,000 of the Loan Facility and the issuance of 2,345,002 Warrants (including 548,333 Finder's Warrants) closing on July 14, 2023, and including US\$2,840,000 aggregate principal amount due in eight quarterly installments commencing on October 14, 2024, and US\$2,550,000 aggregate principal amount due at maturity on July 14, 2026. A small initial tranche closed on June 30, 2023 consisting of US\$510,000 principal amount of the Loan Facility, all of which is due at maturity on June 30, 2026, and the issuance of 255,000 Warrants (including 85,000 Finder's Warrants). Any common shares issued upon exercising Warrants from the Transaction will have a hold period of four months and one day from the date the Warrants were issued. The Warrants expire three years from the date of issuance.

Item 5.2 Disclosure for Restructuring Transaction

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Don Streu, President & Chief Executive Officer
Sandy Quilty, Vice President Finance & Chief Financial Officer
Telephone: (403) 201-9694

Item 9 Date of Report

July 20, 2023.

EXHIBIT A
FORM OF INSTALLMENT CREDIT AGREEMENT

[see attached]

[FORM OF] CREDIT AGREEMENT

THIS CREDIT AGREEMENT is made as of July [●], 2023

Between:

CONDOR ENERGIES INC., a corporation existing under the laws of the Province of Alberta (the "**Borrower**")

and

[●], a [description of lender; e.g. individual, firm, partnership, company, corporation] (the "**Lender**")

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement and in the recitals hereto unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings:

"Advance" means the advance of funds by the Lender to the Borrower under the Facility in an amount not to exceed the aggregate amount of the Facility;

"Affiliate" means, with respect of any specified Person, any other Person which, directly or indirectly, controls or is controlled by or is under common control with that specified Person; and, for the purpose of this definition, "**control**" (including, with correlative meanings, the terms "**controlled by**" and "**under common control with**") means the power to direct, or cause to be directed, the management and policies of any Person whether through the ownership of shares or by contract or otherwise;

"Agreement" means this credit agreement, as amended, amended and restated, restated or otherwise modified from time to time;

"Applicable Law" means, in relation to any Person, property, transaction or event, all applicable provisions (or mandatory applicable provisions, if so specified) of federal, provincial, state or local laws, statutes, rules, regulations, official directives and orders of all Governmental Authorities and governmental actions of Governmental Authorities in actions or proceedings by which the Person is bound or having application to the Person, property, transaction or event;

"Business Day" means a day of the year, other than a Saturday or a Sunday, on which commercial banks in Calgary are open, in the normal course, for business;

"Capital Lease" means any lease of real or personal property by the Borrower or any of its Subsidiaries, as lessee, which would be classified as a capital lease on the Borrower's balance sheet prepared on a consolidated basis; provided that with respect to any lease, whether entered into before or after December 31, 2018, which, in accordance with GAAP, was an operating lease as at December 31, 2018, the Borrower shall be entitled to continue to treat such lease as an operating lease notwithstanding any changes to GAAP after December 31, 2018;

"Change of Control" means and shall be deemed to have occurred if and when any Person or Persons acting jointly or in concert (within the meaning ascribed to such phrase in the *Securities*

Act (Alberta)) shall beneficially own or control, directly or indirectly, Voting Shares in the capital of the Borrower which have or represent more than 50% of all the votes entitled to be cast by shareholders for an election of the board of directors of the Borrower;

“**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time;

“**Damages**” has the meaning set forth in Section 11.2;

“**Default**” means any event or condition which, with the giving of notice, lapse of time or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default;

“**Default Rate**” means the rate of interest that is 11.0%;

“**Dollars**” and “**\$**” means the lawful currency of the United States;

“**Effective Date**” means July 14, 2023;

“**Environmental Laws**” means any and all applicable federal, provincial, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment, to the release of any materials into the environment or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals, industrial substances, toxic substances, hazardous substances or wastes;

“**Event of Default**” means any of the events or circumstances specified in Section 8.1;

“**Excluded Taxes**” means, with respect to the Lender or any other recipient of any payment to be made by or on account of any obligation hereunder or under any other Loan Document:

- (a) Taxes imposed on or measured by its net income or capital, net profits and franchise Taxes imposed on it (in lieu of net income taxes) by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located, in which it carries on business or, in the case of the Lender, in which its lending office is located or is a resident in that jurisdiction or as a result of any other present or former connection with that jurisdiction (other than any such connection arising solely from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, this Agreement or any other Loan Document);
- (b) any branch profits Taxes or any similar tax imposed by any jurisdiction in which the Lender is located or carries on business;
- (c) Taxes attributable to the Lender's failure to comply with Sections 3.4(c) and 3.4(d);
- (d) any Taxes imposed under FATCA or Part XVIII of the Income Tax Act (Canada); and
- (e) any Taxes imposed on a payment or deemed payment by reason of the recipient (i) not dealing at arm's length for the purposes of the *Income Tax Act* (Canada) with the Borrower, (ii) being a "specified non-resident shareholder" of the Borrower (for purposes of subsection 18(5) of the *Income Tax Act* (Canada)) at the time of payment or deemed payment, or by reason of such recipient not dealing at arm's length for the purposes of the *Income Tax Act* (Canada) with a "specified shareholder" of the Borrower at the time

of payment or deemed payment, (iii) being a person who is a "specified entity" (as defined in proposed subsection 18.4(1) of the *Income Tax Act* (Canada) contained in proposals to amend such Act released on April 29, 2022) or substantially analogous provisions of any finally enacted amendment to the *Income Tax Act* (Canada) in respect of the Borrower, except where the non-arm's length relationship arises, where the recipient is a "specified non-resident shareholder" or does not deal at arm's length with a "specified shareholder", or where the recipient is a "specified entity", in each case, on account of the recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or enforced this Agreement or any other Loan Document;

"Facility" means the non-revolving, term credit facility established by the Lender in favour of the Borrower in an aggregate amount of \$[●];

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreement entered into to implement such Sections of the Code, and any laws, rules and practices adopted by a non-U.S. jurisdiction to effect any such intergovernmental agreement;

"GAAP" means generally accepted accounting principles which are in effect from time to time in Canada including, for certainty, IFRS (but only to the extent IFRS is adopted by the Chartered Professional Accountants Canada or any successor thereto ("**CPA**") as generally accepted accounting principles in Canada and, then, subject to such modifications thereto as are agreed by the CPA from time to time);

"Governmental Authorities" means any federal, state, provincial, county, local or municipal government; any governmental body, agency, authority, board, bureau, department or commission (including any taxing authority); any instrumentality or office of any of the foregoing (including any court or tribunal) exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

"Indebtedness" of a Person means any debt or other monetary liability (whether actual or contingent) in respect of monies borrowed, including a debt or monetary liability under or in respect of:

- (a) any bonds, debentures, notes or similar instruments;
- (b) any bankers' acceptance;
- (c) any lease that would be a Capital Lease under GAAP;
- (d) any reimbursement obligation to an issuer of any letter of credit (whether contingent or otherwise); and
- (e) any guarantee of or indemnity in respect of any of the foregoing;

"Indemnified Taxes" means Taxes other than Excluded Taxes;

"Judgment Currency" has the meaning set forth in Section 11.3;

"Loan Documents" means this Agreement, and all certificates, notices, instruments and other agreements or documents delivered or to be delivered by the Borrower to the Lender in relation to the Facility pursuant hereto or thereto;

“Material Adverse Effect” means any fact or circumstance which would have a material adverse effect on the business, financial condition, operations or property of the Borrower and its Subsidiaries, taken as a whole, or which would have a material adverse effect on the ability of the Borrower to perform its obligations under the Loan Documents;

“Maturity Date” means July 14, 2026;

“Mineral” means naturally occurring, inorganic solids with a definite chemical composition and a crystal lattice structure;

“Obligations” means, as the context requires, without duplication, the aggregate amount of all obligations, liabilities and Indebtedness, contingent or otherwise, of the Borrower to the Lender under the Loan Documents;

“Outstanding Principal” means, at any time, the principal amount of the Advance outstanding;

“Party” means a party to this Agreement, and **“Parties”** shall have a corresponding meaning;

“P&NG and Mineral Leases” means, collectively, any and all documents of title including leases, reservations, permits, licences, unit agreements, assignments, trust declarations, participation, exploration, farm-out, farm-in, royalty, purchase or other agreements by virtue of which the Borrower or any Subsidiary is entitled to explore for, drill for, recover, take or produce Petroleum Substances and Minerals of any kind whatsoever from or with respect to P&NG and Mineral Rights owned by the Borrower or any Subsidiary (as applicable), or to share in the production or proceeds of production or any part thereof or proceeds of royalty, production, profits or other interests out of, referable to or payable in respect of Petroleum Substances and Minerals of any kind whatsoever from or with respect to P&NG and Mineral Rights owned by the Borrower or any Subsidiary (as applicable), and the rights of the Borrower or any Subsidiary (as applicable) thereunder;

“P&NG and Mineral Rights” means all of the right, title, estate and interest, whether contingent or absolute, legal or beneficial, present or future, vested or not, and whether or not an “interest in land”, of the Borrower and its Subsidiaries in and to any of the following, by whatever name the same are known:

- (a) rights to explore for, drill for and produce, take, save or market Petroleum Substances and Minerals;
- (b) rights to a share of the production of Petroleum Substances and Minerals;
- (c) rights to a share of the proceeds of, or to receive payments calculated by reference to the quantity or value of, the production of Petroleum Substances and Minerals;
- (d) rights to acquire any of the rights described in subparagraphs (a) through (c) of this definition;
- (e) interests in any rights described in subparagraphs (a) through (d) of this definition; and
- (f) all extensions, renewals, replacements or amendments of or to the foregoing items described in subparagraphs (a) through (e) of this definition;

“Permitted Indebtedness” means:

- (a) the Obligations;
- (b) any Indebtedness; provided that the aggregate outstanding amount thereof does not exceed \$15,000,000 at any time; and
- (c) any other Indebtedness; provided that, at the time such Indebtedness is incurred, no Default or Event of Default has occurred and is continuing or would result immediately thereafter;

“Permitted Liens” means, as at any particular time, any of the following Security Interests on the property or any part of the property of the Borrower:

- (d) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested in good faith by the Borrower;
- (e) deemed liens and trusts arising by operation of law in connection with workers' compensation, employment insurance and other social security legislation, in each case, which secure obligations not at the time due or delinquent or, if due or delinquent, the validity of which is being contested in good faith by the Borrower;
- (f) liens under or pursuant to any judgment rendered, or claim filed, against the Borrower and the Borrower shall be contesting in good faith;
- (g) undetermined or inchoate liens and charges incidental to construction, maintenance or current operations which have not at such time been registered or filed pursuant to applicable law against the Borrower or the subject property or which relate to obligations not due or delinquent or, if due or delinquent, the validity of which is being contested in good faith by the Borrower;
- (h) liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the exploration, development or operation of P&NG and Mineral Rights, related production or processing facilities in which such Person has an interest or the transmission of Petroleum Substances and Minerals, in each case, as security in favour of any other Person conducting or participating in the exploration, development, operation, production, processing or transmission of the property to which such liens relate, for the Borrower's portion of the costs and expenses of such exploration, development, operation, production, processing or transmission, provided that such costs or expenses are not due or delinquent or, if due or delinquent, the validity of which is being contested at the time in good faith by the Borrower;
- (i) liens for penalties arising under non-participation or independent operations provisions of operating or similar agreements in respect of the Borrower's P&NG and Mineral Rights, provided that such liens do not materially detract from the value of any material part of the property of the Borrower and its Subsidiaries, taken as a whole;
- (j) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the P&NG and Mineral Rights of the Borrower;
- (k) easements, rights of way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights of way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles,

wires and cables) granted to or reserved or taken by other Persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of the Borrower and its Subsidiaries, taken as a whole;

- (l) security given by the Borrower to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Borrower, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of the Borrower and its Subsidiaries, taken as a whole;
- (m) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions and reservations to title;
- (n) any encumbrance or agreement now in effect relating to pooling or a plan of unitization affecting the property of the Borrower, or any part thereof;
- (o) royalties, net profits and other interests and obligations arising in accordance with standard industry practice and in the ordinary course of business, under P&NG and Mineral Leases in which the Borrower has any interest;
- (p) any operating lease entered into in the ordinary course of business, provided that the same is not a Sale-Leaseback;
- (q) Security Interests:
 - (i) created, incurred or assumed to secure any Purchase Money Obligations, provided that the foregoing Security Interests are limited to the property or assets purchased or acquired and the proceeds thereof; and
 - (ii) which are not otherwise Permitted Encumbrances; provided that such Security Interests do not attach generally to all or substantially all of the undertaking, assets and property of the Borrower (such as a Security Interest in the nature of a floating charge on all or substantially all of the undertaking, assets and property of a Person),

provided that the aggregate amount of obligations secured thereby does not at any time exceed the \$500,000; and

- (r) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Security Interest referred to in the preceding subparagraphs (a) to (t) inclusive of this definition, so long as any such extension, renewal or replacement of such Security Interest is limited to all or any part of the same property that secured the Security Interest extended, renewed or replaced (plus improvements on such property) and the indebtedness or obligation secured thereby is not increased,

provided that nothing in this definition shall in and of itself cause the Obligations hereunder to be subordinated in priority of payment to any such Permitted Encumbrance;

“Person” means any individual, firm, partnership, company, corporation or other body corporate, limited liability company, unlimited liability company, joint-venture entity, government, governmental body, agency, instrumentality, unincorporated body of Persons or association;

"Petroleum Substances" means any one or more of crude oil, crude bitumen, synthetic crude oil, petroleum, natural gas, natural gas liquids, related hydrocarbons and any and all other substances, whether liquid, solid or gaseous, whether hydrocarbons or not, produced or producible in association with any of the foregoing, including hydrogen sulphide and sulphur;

"Purchase Money Obligation" means any monetary obligation created or assumed as part of the purchase price of real or tangible personal property, whether or not secured, any extensions, renewals or refundings of any such obligation; provided that the principal amount of such obligation outstanding on the date of such extension, renewal or refunding is not increased and provided further that any security given in respect of such obligation shall not extend to any property other than the property acquired in connection with which such obligation was created or assumed and fixed improvements, if any, erected or constructed thereon and the proceeds thereof;

"Representation Letter" means a representation letter from the Lender in the form attached hereto as Schedule A;

"Request" has the meaning set forth in Section 2.2;

"Sale-Leaseback" means an arrangement, transaction or series of arrangements or transactions under which title to any real property, tangible personal property or fixture is transferred by the Borrower or a Subsidiary (a **"transferor"**) to another Person which leases or otherwise grants the right to use such property to the transferor (or nominee of the transferor) and, whether or not in connection therewith, the transferor also acquires a right or is subject to an obligation to acquire such property or a material portion thereof, and regardless of the accounting treatment of such arrangement, transaction or series of arrangements or transactions.

"Security Interest" means any mortgage, charge, pledge, lien, hypothecation, encumbrance, security assignment, trust arrangement, title retention or other security interest or arrangement of any kind whatsoever having the effect of conferring security;

"Subsidiary" means, in relation to any Person:

- (a) a Person of which another Person alone or in conjunction with its other Subsidiaries owns an aggregate number of Voting Shares sufficient to enable the election of a majority of the directors (or other Persons performing similar functions) regardless of the manner in which other Voting Shares are voted;
- (b) a Person of which another Person alone or in conjunction with its other Subsidiaries has, through the operation of any agreement or otherwise, the ability to elect or cause the election of a majority of the directors (or other Person performing similar functions);
- (c) a general or limited partnership, more than 50% of the partnership interests of which are owned, directly or indirectly, by such Person alone or in conjunction with its other Subsidiaries; or
- (d) any trust of which such Person, alone or in conjunction with its other Subsidiaries, directly or indirectly, owns more than 50% of the beneficial interests therein;

provided that, unless otherwise expressly provided or the context otherwise requires, references herein or in any other Loan Document to "Subsidiary" or "Subsidiaries" shall be and shall be deemed to be references to a Subsidiary or Subsidiaries of the Borrower;

“Tax” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authorities, together with any interest, additions to tax and penalties imposed with respect thereto;

“U.S. Securities Act” has the meaning set forth in Section 5.2(c);

“Voting Shares” means shares of capital stock of any class of any corporation or other securities of any other Person carrying voting rights to elect the board of directors (or other Persons performing similar functions) under all circumstances; provided that, for the purposes of this definition, shares or securities which only carry the right to vote conditionally on the happening of an event shall not be considered Voting Shares, whether or not such event shall have occurred, nor shall any shares or securities be deemed to cease to be Voting Shares solely by reason of a right to vote accruing to shares or securities of another class or classes by reason of the happening of such event; and

“Warrants” means the [●] share purchase warrants issued to the Lender on the Effective Date entitling the Lender to purchase [●] Class A common shares in the capital of the Borrower at an exercise price of CA\$0.48 per share at any time until the Maturity Date on and subject to the terms and conditions as set out in the certificate evidencing such warrants dated as of the Effective Date.

1.2 Non-Business Days

Whenever any payment to be made under any Loan Document or under any other document in connection therewith is stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest payable hereunder or under such ancillary document; provided that any payment of interest due on a day which is not a Business Day shall bear interest at the rate provided herein until paid in accordance with the terms hereof on the next succeeding Business Day.

1.3 Rules of Interpretation

Unless the context otherwise necessarily requires, the following provisions shall govern the interpretation of this Agreement:

- (a) the terms “this Agreement”, “hereof”, “herein”, “hereunder” and similar expressions refer to this Agreement taken as a whole and not to any particular Articles or Section and include any agreement or instrument which amends or is supplementary to this Agreement;
- (b) words importing the singular number only shall include the plural and vice versa, and words importing the use of any gender shall include all genders;
- (c) “month” means calendar month and “year” means a calendar year;
- (d) “in writing” or “written” includes printing, typewriting or any electrical means of communication by which words are capable of being visibly reproduced at a distant point of reception, including email, telecopies, telex or telegraph;
- (e) in the event of any conflict or ambiguity between the provisions of this Agreement and any verbal or written representations, or any of the Security, the provisions of this Agreement shall prevail to the extent necessary to remove the conflict or ambiguity;

- (f) words and terms denoting inclusiveness (such as “include” or “includes” or “including”), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.
- (g) references herein to any Person shall, unless the context otherwise requires, include such Person’s successors and permitted assigns;
- (h) references herein to any agreement including this Agreement or other instrument shall be deemed to include references to the agreement or instrument as varied, modified or replaced from time to time; and any specific references herein to any enactment shall be deemed to include references to such enactment as the same may be amended or re-enacted from time to time; and
- (i) the terms “Article”, “Section”, “Subsection”, “clause”, “paragraph” and “subparagraph” followed by a number and/or letter refer to the specific articles, section, subsection, clause, paragraph or sub-paragraph of this Agreement, unless otherwise indicated.

**ARTICLE 2
AVAILABILITY, PURPOSE AND PROVISION OF THE FACILITY**

2.1 Availability and Purpose of Facility

- (a) Subject to the terms and conditions of this Agreement, the Lender agrees to lend to the Borrower the aggregate principal amount of the Facility by way of a non-revolving term credit facility for the purposes set forth in Section 2.1(b).
- (b) The Facility is being made available for the general corporate purposes of the Borrower and its Subsidiaries.
- (c) Subject to the terms and conditions hereof, on the Effective Date, the Lender shall fund the Advance to the Borrower under the Facility in accordance with Section 2.2.
- (d) The Facility is non-revolving and any amounts thereunder which are repaid may not be reborrowed.

2.2 Advance Under Facility

The Lender shall fund the Advance to the Borrower on the Effective Date in accordance with the following wire instructions:

- Bank
 - Name: [REDACTED]
 - Address: [REDACTED]
 - Institution #:
 - Transit #:
 - SWIFT: [REDACTED]
- Beneficiary
 - Name: [REDACTED]
 - Address: [REDACTED]
 - Account #:

2.3 Repayment of Principal

The Outstanding Principal shall be payable in eight quarterly payments, with the first payment commencing on the date falling three months from the first anniversary of the Effective Date.

2.4 Interest Payments on Advances

The Borrower shall pay to the Lender accrued interest on the Outstanding Principal in Dollars at a rate of 9.0% *per annum*, compounded and payable quarterly, commencing on the date falling three months from the Effective Date.

2.5 Default Interest

Notwithstanding any other provision hereof, in the event that any amount due hereunder (including any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall pay interest on such unpaid amount (including interest on interest), if and to the fullest extent permitted by Applicable Law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is received for value by the Lender on the date of such payment), and such interest shall accrue daily, be calculated and compounded monthly and be payable on demand, after as well as before maturity, default and judgment, at a rate per annum that is equal to the Default Rate.

2.6 Early Repayment

The Borrower shall not be permitted to prepay all, or any portion of the Outstanding Principal within 12 months after the Effective Date. Thereafter, the Borrower may prepay all or any portion of the Outstanding Principal at any time without notice, including all accrued and uncompounded interest due and payable as of the date such prepayment is made; provided that, on the date of any such prepayment, the Borrower shall pay to the Lender a prepayment fee equal to: (a) for the period of one year commencing 12 months after the Effective Date, 2% of the amount being repaid; and (b) for the period one year commencing 24 months after the Effective Day, 1% of the amount being repaid.

ARTICLE 3 PAYMENT GENERALLY

3.1 Payments to the Lender

All payments made to the Lender pursuant to this Agreement shall be made in accordance with the following instructions:

- Intermediary Bank (if required)
 - Name: [●]
 - Address: [●]
 - SWIFT: [●]
 - Account: [●]
- Bank
 - Name: [●]
 - Address: [●]
 - SWIFT: [●]
 - IBAN: [●]
- Beneficiary
 - Name: [●]
 - Address: [●]
 - Account #: [●]

3.2 Maximum Rate Permitted by Law

In no event shall any interest or fee to be paid hereunder exceed the maximum rate permitted by Applicable Law. In the event any such interest or fee exceeds such maximum rate, such rate shall be reduced to the highest rate permitted under Applicable Law.

3.3 Interest Act Waiver

The Borrower confirms that it fully understands and is able to calculate the rate of interest applicable to the Advance based on the methodology for calculating *per annum* rates provided for in this Agreement and the other Loan Documents. The Borrower hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to this Agreement or any other Loan Document, that the interest payable under this Agreement or any other Loan Document and the calculation thereof has not been adequately disclosed to the Borrower as required pursuant to Section 4 of the *Interest Act* (Canada).

3.4 Taxes

- (a) Any and all payments by or on account of any obligation of the Borrower shall be made free and clear of and without deduction or withholding for or on account of any Indemnified Taxes unless a deduction or withholding is required by law; provided that if any Indemnified Taxes are required to be deducted or withheld from such payments, then (a) the sum payable shall be increased as necessary so that after making all such required deductions or withholdings (including deductions or withholdings applicable to additional sums payable under this Section) the Lender receives an amount equal to the sum it would have received had no such deductions or withholdings been made; (b) the Borrower shall make or cause to be made any required deductions or withholdings in the minimum amount required by law; and (c) the Borrower shall timely pay or remit, or cause to be paid or remitted, the full amount deducted or withheld to the applicable Governmental Authority within the time allowed and in accordance with Applicable Law and shall deliver a copy of the official receipts or other evidence satisfactory to the Lender, acting reasonably, evidencing such remittance to the appropriate Governmental Authority.
- (b) If the Lender receives a refund of any Indemnified Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 3.4, it shall, so long as no Event of Default has occurred and is continuing (unless the Obligations have been repaid in full), pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 3.4 with respect to the Indemnified Taxes giving rise to such refund), net of all out of pocket expenses of the Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund) provided that in no event shall the Lender be required to pay over any such refund received later than one hundred and twenty (120) days following the date on which the Obligations have been repaid in full; provided that the Borrower, upon the request of the Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Lender in the event the Lender is required to repay such refund to such Governmental Authority. This Section 3.4(b) shall not be construed to require the Lender to make available its tax returns (or any other information relating to its Taxes which it deems confidential) to the Borrower or to any other Person.
- (c) If the Lender is entitled to an exemption from or reduction of withholding Tax with respect to payments hereunder or under any other Loan Document shall, at the request of the Borrower, deliver to the Borrower, at the time or times prescribed by Applicable Law or reasonably requested by the Borrower such properly completed and executed

documentation prescribed by Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition:

- (i) the Lender, if requested by the Borrower, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower as will enable the Borrower to determine whether or not the Lender is subject to withholding or information reporting requirements; and
 - (ii) if the Lender ceases to be, or to be deemed to be, resident in Canada for purposes of Part XIII of the Income Tax Act (Canada) or any successor provision thereto shall within five days thereof notify the Borrower in writing.
- (d) Without limiting the generality of the foregoing Section 3.4(c), if a payment made to the Lender hereunder or under any other Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if the Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in section 1471(b) or 1472(b) of the Code, as applicable, or the *Income Tax Act* (Canada)), upon the request of the Borrower, such Lender shall deliver to the Borrower at the time or times prescribed by Applicable Law and at such time or times reasonably requested by the Borrower such documentation prescribed by Applicable Law (including as prescribed by section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower as may be necessary for the Borrower to comply with its respective obligations under FATCA and to determine that the Lender has complied with the Lender's obligations under FATCA or the *Income Tax Act* (Canada) or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 11.4.6, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

3.5 Records

The Lender shall maintain records evidencing the Advance, repayments, all other amounts owing by the Borrower to the Lender hereunder and all cancellations effecting a permanent reduction of any undrawn portion of the Facility. The Lender shall enter in such records details of all amounts from time to time owing, paid or prepaid by the Borrower to the Lender hereunder. The information entered in such records shall, in the absence of manifest error, constitute *prima facie* non-exclusive evidence of the financial obligations of the Borrower to the Lender hereunder.

ARTICLE 4 CONDITION PRECEDENT

This Agreement shall become effective at such time as the Lender has received a duly executed copy of this Agreement.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Borrower

The Borrower represents and warrants to the Lender as follows:

- (a) **Existence.** The Borrower (i) is a corporation validly existing and in good standing under the laws of its jurisdiction of formation and (ii) has all necessary power and authority to own its properties and carry on its business as presently carried on.

- (b) **Power.** The Borrower has all requisite power, authority and capacity to execute and deliver the Loan Documents and to fully observe and perform them in accordance with the terms thereof.
- (c) **Authorization.** The Borrower has taken all necessary corporate and other action (as applicable) of its directors, shareholders and other Persons (as applicable) to authorize the execution, delivery and performance of the Loan Documents and to observe and perform the provisions thereof in accordance with the terms therein.
- (d) **Due Authorization; No Conflict.** Neither the execution and delivery of this Agreement or any other Loan Document, nor compliance with the terms and conditions of any of them:
 - (i) has resulted, or will result, in a violation of:
 - (A) the constating documents or by-laws of the Borrower;
 - (B) any agreement or instrument to which the Borrower is a party or by which it is bound; or
 - (C) any Applicable Law; or
 - (ii) has resulted or will result in the creation of, or the obligation to create, any Security Interest on, against or in respect of any of any property of the Borrower.
- (e) **Binding Obligations.** Each of the Loan Documents constitutes legal, valid and binding obligations of the Borrower and is enforceable against it in accordance with the terms thereof, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, or similar statutes affecting the enforcement of creditors' rights generally and by general principles of equity.

5.2 Representations and Warranties of the Lender

The Lender represents and warrants to the Borrower as follows:

- (a) **Representation Letter.** The Lender has duly executed and delivered to the Borrower a Representation Letter, and each of the statements, representations and warranties made by the Lender therein are true and complete as of the date hereof.
- (b) **Securities Law Requirements.** There are no prospectus, registration or other disclosure or similar requirements applicable to the issuance of the Warrants to the Lender in any jurisdiction the securities laws of which are applicable to the Lender.
- (c) **Residency.** The Lender is neither resident in the United States nor a "U.S. Person" as defined in Regulation S under the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"). The Lender is not acquiring the Warrants as a result of any form of directed selling efforts in the United States, as such term is defined in Regulation S under the U.S. Securities Act. The Lender is aware that the Warrants have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any U.S. state and that the Warrants may not be offered or sold in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and the applicable laws of all applicable states, and acknowledges and agrees that the Borrower has no present intention of filing a registration statement under the U.S. Securities Act in respect of any of the Shares.

5.3 Nature of Representations and Warranties

The representations and warranties set out in this Agreement or deemed to be made pursuant hereto shall survive the execution and delivery of this Agreement and the making of the Advance, notwithstanding any investigations or examinations which may be made by the Lender or the Lender's counsel. Such representations and warranties shall survive until this Agreement has been terminated.

ARTICLE 6 POSITIVE COVENANTS

6.1 Positive Covenants

The Borrower covenants with the Lender that, so long as any part of the Obligations remain unpaid or outstanding:

- (a) **Payment and Performance.** The Borrower shall pay or cause to be paid all sums of money due by it hereunder and shall perform all other obligations on its part to be performed under the terms of the Loan Documents at the times and places and in the manner provided for therein.
- (b) **Existence, Status and Conduct of Business.** The Borrower shall:
 - (i) maintain its corporate existence in good standing;
 - (ii) register and qualify, and remain duly registered and qualified as a corporation authorized to carry on business under the laws of each jurisdiction in which the nature of any business transacted by it or the character of any property and assets owned or leased by it requires such registration and qualification, except to the extent any failure do same would not reasonably be expected to have a Material Adverse Effect;
 - (iii) preserve and keep in full force and effect and good standing all franchises, licences, rights, privileges and permits necessary to enable it to operate and conduct its respective businesses in accordance with good industry practice, except to the extent any failure to do same would not reasonably be expected to have a Material Adverse Effect; and
 - (iv) conduct its business, activities and operations and to do all things necessary or required to have all of their properties, assets and operations owned, operated and maintained in a manner consistent with diligent and prudent business practice in the construction and other applicable industries and at all times cause the same to be owned, operated, maintained, except to the extent any failure to do same would not reasonably be expected to have a Material Adverse Effect.
- (c) **Compliance with Laws.** The Borrower will comply with all Applicable Laws, including Environmental Laws, and obtain and maintain all permits, licenses, consents and approvals necessary to the ownership of its property and to the conduct of its business in each jurisdiction where it carries on business or owns property, including those issued or granted by Governmental Authorities, except to the extent that any failure to do same would not have a Material Adverse Affect.
- (d) **Maintenance of Books and Records.** The Borrower shall keep proper and adequate records and books of account in which true and complete entries will be made in a manner sufficient to enable the preparation of consolidated financial statements in accordance with GAAP.

- (e) **Taxes.** The Borrower will pay or discharge or cause to be paid and discharged, when the same shall become due (or, as to any thereof which are being contested in good faith, promptly following final determination of such contest), all material Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or any property belonging to it, including all ad valorem, severance, gross income, gross receipts, gross profits, gross production, excise, sales, franchises, income and other taxes and assessments of any kind whatsoever (including any interest and penalties payable thereon or with respect thereto), imposed upon or assessed with respect to or measured by or charged against or attributable to any of its assets or the proceeds of sale thereof.
- (f) **Use of Proceeds.** The Borrower shall only use the Facility for the purposes specified in Section 2.1(b).
- (g) **Further Assurances.** The Borrower shall do all such further acts and things and execute and deliver all such further documents, deeds, instruments and assurances, and do or cause to be done all such other acts and things as requested by the Lender in order to ensure that each provision hereof and of the other Loan Documents continues to be a valid and binding obligation of the Borrower, enforceable against it in accordance with its term.

ARTICLE 7 NEGATIVE COVENANTS

7.1 Negative Covenants

The Borrower covenants with the Lender that, so long as any part of the Obligations remain unpaid or outstanding, and without the Lender's prior written consent:

- (a) **Limitation on Security Interests.** The Borrower will not create, incur, assume or suffer to exist any Security Interest upon or with respect to any of its assets, properties or undertaking, other than Permitted Liens.
- (b) **Limitation on Incurrence of Indebtedness.** The Borrower shall not incur any Indebtedness other than Permitted Indebtedness.
- (c) **Limitation on Dispositions.** The Borrower shall not, directly or indirectly, make any sale, exchange, lease, transfer or other disposition of any of its properties or assets to any Person if a Default or an Event of Default has occurred and is continuing.
- (d) **No Merger.** The Borrower shall not consolidate, effect an arrangement or reorganization, merge or amalgamate with or into or wind up into, any other Person, unless the surviving entity is the Borrower.

ARTICLE 8 EVENTS OF DEFAULT

8.1 Events of Default

An Event of Default shall exist for the purposes of this Agreement if any one or more of the following events occur:

- (a) **Failure to Pay.** The Borrower shall fail to pay any amount of principal or interest, or on any other amounts payable under this Agreement, on the day such amount becomes due and payable, and such default is not remedied within ten Business Days.

- (b) **Representations and Warranties.** Any representation or warranty made by the Borrower under or in connection with this Agreement or any other Loan Document is untrue or incorrect when made and such misrepresentation, if curable, shall remain uncured for 45 Business Days after the earlier of (i) the Borrower becoming aware of the incorrect or untrue nature of such representation or warranty and (ii) written notice of the incorrect or untrue nature of such representation or warranty having been given to the Borrower by the Lender.
- (c) **Covenants.** If there is a breach or default in the performance, observance, or compliance any term, covenant or agreement contained in this Agreement or any other Loan Document, and breach or default shall remain unremedied for 45 Business Days after the earlier of (i) the Borrower becoming aware of such breach or default and (ii) written notice of such breach or default having been given to the Borrower by the Lender.
- (d) **Voluntary Insolvency.** If the Borrower shall be dissolved or shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors or if a resolution is passed for the dissolution, winding-up or liquidation of the Borrower or if the Borrower institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it, under the *Bankruptcy Act*, the *Companies' Creditors Arrangement Act* or any other bankruptcy, insolvency or analogous law, or consents to the filing of any petition under any such law or to the appointment of a receiver or other person with like powers of the or of all or any substantial part of the property of the Borrower.
- (e) **Involuntary Insolvency.** If a decree or order of a court of competent jurisdiction is entered against the Borrower adjudging the Borrower as bankrupt or insolvent, or approving a petition seeking reorganization or winding-up of the Borrower under the *Bankruptcy Act*, the *Companies' Creditors Arrangement Act* or any other bankruptcy, insolvency or analogous law, or appointing a receiver or other person with like powers or of all or any substantial part of the property of the Borrower or ordering the involuntary winding up or liquidation of the affairs of the Borrower, and any such decree or order continues unstayed and in effect for a period of more than 60 days, or if any receiver or other person with like powers is appointed of the Borrower, whether by means of private appointment or other manner of appointment, or of all or any substantial part of the property of the Borrower and any such appointment continues undischarged and in effect for a period of more than 60 days.
- (f) **Dissolution, etc.** except as permitted under this Agreement, if proceedings are commenced for the dissolution, liquidation or winding-up of the Borrower unless such proceedings are being actively and diligently contested in good faith, or if a decree or order is enacted for the dissolution, liquidation or winding-up of the Borrower.
- (g) **Change of Control.** If a Change of Control occurs.

ARTICLE 9 ACCELERATION AND REMEDIES

9.1 Acceleration and Remedies

Notwithstanding any other term of this Agreement, the Lender may (but it shall not be obliged to give the further notice referred to in this Section), following the occurrence of any Event of Default which has not been remedied or waived, give written notice to the Borrower declaring that the Obligations are immediately due and payable; provided that, upon the occurrence of an Event of Default specified in Section 8.1(d) or 8.1(e), the Facility shall automatically terminate and all Obligations shall automatically become due and payable, in each case without any requirement that notice be given to the Borrower.

Upon the giving of such notice, or the occurrence of an Event of Default specified in Section 8.1(d) or 8.1(e), the Borrower will be obligated without any further grace period to forthwith pay such amounts and the Lender may exercise any and all rights, remedies, powers, privileges afforded by Applicable Law (including any rights of set-off) or under any and all other instruments, documents and agreements made to assure payment and performance of the Obligations, including commencing such legal action or other proceedings as the Lender may deem expedient, without notice, presentation, demand or protest, and such rights are hereby waived by the Borrower.

9.2 Waivers

Any Event of Default may be waived in writing by the Lender, in its sole discretion.

9.3 The Lender May Perform Covenants

If the Borrower shall fail to perform any covenant on its part herein contained, the Lender may perform any such covenant capable of being performed by the Lender and, if any such covenant requires the payment or expenditure of money, the Lender may make such payment or expenditure with its own funds. All amounts so paid by the Lender hereunder shall be repaid by the Borrower on demand therefor, and shall bear interest at the Default Rate commencing on the day of payment of such amounts by the Lender.

**ARTICLE 10
NOTICES**

10.1 Notices

Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by transmittal by telecopy or other electronic means of communication addressed to the respective parties as follows:

- (a) to the Borrower:

Condor Energies Inc.
Suite 1000, 521 – 3rd Ave SW
Calgary, Alberta, Canada, T2P 3T3
Attention: Sandy Quilty, CFO
Email: [REDACTED]

- (b) to the Lender:

[●]

Attention: [●]
Email: [●]

or to such other address or facsimile number as any party may from time to time notify the others in accordance with this Section. Any demand, notice or communication made or given by personal delivery or by telecopy or other electronic means of communication during normal business hours at the place of receipt on a Business Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Business Day. Any demand, notice or communication made or given by personal delivery or by telecopy or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Business Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Calgary time) on the first Business Day following actual delivery or transmittal, as the case may be.

**ARTICLE 11
COSTS, EXPENSES AND INDEMNIFICATION**

11.1 Costs and Expenses

The Borrower shall be responsible for all costs and expenses in connection with the preparation, establishment of the validity and enforceability, and the preservation or enforcement of rights of the Lender under this Agreement and other Loan Documents, including all costs and expenses related to the Borrower's counsel. The Lender shall be responsible for its out-of-pocket costs and expenses, if any, in connection with the establishment this Agreement and the Loan Documents including any costs associated with Lender's counsel. Each Party shall be responsible for their own banking fees in connection with payments made under this Agreement and other Loan Documents.

11.2 General Indemnity

The Borrower hereby covenants with the Lender that it shall at all times hereafter indemnify the Lender and hold harmless from and against all suits (whether founded or unfounded), actions, proceedings, judgments, demands or claims instituted or made against the Lender in any way relating to or arising out of any of the Loan Documents, and all costs, losses, liabilities, damages and expenses (including all reasonable and documented legal fees on a solicitor and his own client basis) incurred by the Lender in any way relating thereto or relating to or arising out of the Loan Documents and the transactions contemplated thereby, including in respect of any default by the Borrower under any provision of any of the Loan Documents (collectively, the "**Damages**"). This indemnity shall not apply to Damages to the extent that such Damages are determined by a court of competent jurisdiction by final and non-appealable judgment to be arising from or attributable to the wilful misconduct or gross negligence of the Lender or any of its officers, directors and employees. The provisions of this Section 11.2 shall survive repayment in full of the Obligations and the termination of this Agreement.

11.3 Judgment Currency

If for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement it becomes necessary to convert into the currency of such jurisdiction (herein called the "**Judgment Currency**") any amount due hereunder in any currency other than the Judgment Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose "**rate of exchange**" means the spot rate at which the Lender will, on the relevant date at or about 12:00 o'clock noon (Calgary time), sell such currency in Calgary, Alberta against the Judgment Currency. In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts (if any) as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of payment is the amount then due under this Agreement in such other currency. Any additional amount due from the Borrower under this Section 11.2 will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Agreement.

**ARTICLE 12
GENERAL**

12.1 Governing Law: Jurisdiction: Etc.

- (a) **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.

- (b) **Submission to Jurisdiction.** Each of the Parties hereto irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province of Alberta, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the Parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each of the Parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.
- (c) **Waiver of Venue.** Each of the Parties hereto irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the Parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

12.2 Term and Survival

The term of this Agreement shall terminate on the earlier of the (a) Maturity Date, (b) the date upon which the Obligations have been paid, satisfied and discharged. The provisions of Sections 5.1, 11.1, 11.2, 12.1 and 12.3 shall survive the repayment in full of the Obligations and the termination of this Agreement.

12.3 Confidentiality

- (a) Each Party agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to it, its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (iii) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (iv) to any other Party hereto, (v) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement, (vii) with the consent of the other Parties (such consent not to be unreasonably withheld or delayed) or (viii) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section 12.3 or (B) becomes available to such Party on a non-confidential basis from a source other than another Party.
- (b) For purposes of this Section 12.3, "**Information**" means all information received in connection with this Agreement from any other Party and relating to any Party, any Subsidiary thereof, or any of their respective businesses, other than any such information that is available to such Party on a non-confidential basis prior to such receipt.
- (c) The provisions of this Section 12.3 shall survive the repayment of the Obligations in full and the cancellation of the Facility and shall continue for a period of two years after the later of (i) the termination of this Agreement, and (ii) the repayment of the Obligations in full.

12.4 Assignment and Enurement

This Agreement and the other Loan Documents shall enure to the benefit of and be binding upon the Parties hereto and their successors and permitted assign. No party may assign their rights under this Agreement or any other Loan Document without the prior written consent of the other Party.

12.5 Time of Essence

In this Agreement time is of the essence.

12.6 Severability

Any provision of this Agreement which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions hereof in such jurisdiction and any such prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable such provision in any other jurisdiction.

12.7 Amendments and Waivers

No breach of any of the provisions of any of the Loan Documents may be waived or discharged verbally; any such waiver or discharge may only be made by way of an instrument in writing signed by the Lender and, if required, by the Borrower, and such waiver or discharge will then be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower therefrom, shall be effective unless in writing executed by the Borrower and the Lender.

12.8 Counterparts

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Delivery of any executed signature page of this Agreement or any amendment or waiver in respect thereof by facsimile transmission or in .pdf format shall be effective as delivery of a manually executed counterpart hereof. The words "execution," "signed," "signature," and words of like import in this Agreement or any other Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be duly executed as of the date first written above.

[●], AS LENDER

Per: _____

Name:

Title:

Per: _____

Name:

Title:

CONDOR ENERGIES INC., AS BORROWER

Per: _____

Name: Don Streu

Title: President and CEO

Per: _____

Name: Sandy Quilty

Title: Vice President Finance and CFO

SCHEDULE A
REPRESENTATION LETTER

TO: CONDOR ENERGIES INC. (the “Borrower”)

(Capitalized terms not specifically defined in this Representation Letter have the meaning ascribed to them in the Credit Agreement to which this Representation Letter is attached)

In connection with the execution by the undersigned Lender of the Credit Agreement which this Representation Letter forms a part of, the undersigned Lender hereby represents, warrants, covenants and certifies to the Borrower that:

1. The Lender is resident in the jurisdiction set out in Section 10.1(b) of the Credit Agreement (the “**Foreign Jurisdiction**”) and the Lender certifies that it is not resident in or otherwise subject to applicable securities laws of any province, territory or state of Canada or the United States.
2. The Lender is receiving the Warrants pursuant to an exemption from any prospectus or securities registration or similar requirements under the applicable securities laws of the Foreign Jurisdiction or any other securities laws to which the Lender is otherwise subject.
3. If the Lender is resident in or otherwise subject to applicable securities laws of a member state (“**Member State**”) of the European Economic Area (“**EEA**”) which has implemented Directive 2003/71/EC (the “**Prospectus Directive**”) other than the United Kingdom, the Lender represents and warrants that it is:
 - (a) a qualified investor within the meaning of the law in that Member State of the EEA which implements Article 2(1)(e) of the Prospectus Directive; and
 - (b) is not acting as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive(collectively, a “**permitted participant**”).
4. If the Lender is resident in or otherwise subject to applicable securities laws of the United Kingdom:
 - (a) the Lender is acquiring the Warrants as principal for its own account;
 - (b) the Lender is a person in the United Kingdom who: (i) is a permitted participant, (ii) is a “qualified investor” for the purposes of section 86(7) of the *Financial Services and Markets Act 2000* (as amended by the *Financial Services Act 2012*) (“**FSMA**”), (iii) is such a person as is referred to in Article 19 (investment professionals) or Article 49 (high net worth companies, unincorporated associations, etc.) of the *Financial Services and Markets Act 2000* (Financial Promotion) Order 2005; and (iv) has complied with and undertakes to comply with all applicable provisions of the FSMA and other applicable securities laws with respect to anything done by it in relation to the Warrants in, from or otherwise involving the United Kingdom; and
 - (c) it confirms that, to the extent applicable to it, it is aware of, has complied and will comply with its obligations in connection with the *Criminal Justice Act 1993*, the *Proceeds of Crime Act 2002*, Part VIII of the FSMA, and the Money Laundering Regulations 2007 (the “**Regulations**”) and has complied fully with its obligations pursuant to the Regulations

and will provide all such information and documents as may be required in relation to it that may be required by the Borrower or any agent or person acting for it in order to discharge any obligations under the Regulations.

5. The acquisition of the Warrants by the Lender does not contravene any of the applicable securities laws in the Foreign Jurisdiction or any other securities laws to which the Lender is otherwise subject and does not result in: (a) any obligation of the Borrower to prepare and file a prospectus, an offering memorandum or similar document; or (ii) any obligation of the Borrower to make any filings with or seek any approvals of any kind from any regulatory body in such jurisdiction or any other ongoing reporting requirements with respect to such acquisition or otherwise; or (iii) any registration or other obligation on the part of the Borrower under the applicable securities laws in the Foreign Jurisdiction or any other securities laws to which the Lender is otherwise subject.
6. The Warrants are being acquired for investment purposes only and not with a view to the resale or distribution of all or any of the Warrants.
7. The Lender is knowledgeable of, and has been independently advised as to, the securities laws of the Foreign Jurisdiction or any other securities laws to which the Lender is otherwise subject.

Upon execution of this Representation Letter by the undersigned Lender, this Representation Letter shall be incorporated into and form a part of the Credit Agreement.

Dated: _____, 2023

Print name of Lender

By: _____
Signature

Print name of Signatory (if different from the Lender)

Title

EXHIBIT B
FORM OF MATURITY CREDIT AGREEMENT

[see attached]

[FORM OF] CREDIT AGREEMENT

THIS CREDIT AGREEMENT is made as of July [●], 2023

Between:

CONDOR ENERGIES INC., a corporation existing under the laws of the Province of Alberta (the "**Borrower**")

and

[●], a [description of lender; e.g. individual, firm, partnership, company, corporation] (the "**Lender**")

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement and in the recitals hereto unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings:

"Advance" means the advance of funds by the Lender to the Borrower under the Facility in an amount not to exceed the aggregate amount of the Facility;

"Affiliate" means, with respect of any specified Person, any other Person which, directly or indirectly, controls or is controlled by or is under common control with that specified Person; and, for the purpose of this definition, "**control**" (including, with correlative meanings, the terms "**controlled by**" and "**under common control with**") means the power to direct, or cause to be directed, the management and policies of any Person whether through the ownership of shares or by contract or otherwise;

"Agreement" means this credit agreement, as amended, amended and restated, restated or otherwise modified from time to time;

"Applicable Law" means, in relation to any Person, property, transaction or event, all applicable provisions (or mandatory applicable provisions, if so specified) of federal, provincial, state or local laws, statutes, rules, regulations, official directives and orders of all Governmental Authorities and governmental actions of Governmental Authorities in actions or proceedings by which the Person is bound or having application to the Person, property, transaction or event;

"Business Day" means a day of the year, other than a Saturday or a Sunday, on which commercial banks in Calgary are open, in the normal course, for business;

"Capital Lease" means any lease of real or personal property by the Borrower or any of its Subsidiaries, as lessee, which would be classified as a capital lease on the Borrower's balance sheet prepared on a consolidated basis; provided that with respect to any lease, whether entered into before or after December 31, 2018, which, in accordance with GAAP, was an operating lease as at December 31, 2018, the Borrower shall be entitled to continue to treat such lease as an operating lease notwithstanding any changes to GAAP after December 31, 2018;

"Change of Control" means and shall be deemed to have occurred if and when any Person or Persons acting jointly or in concert (within the meaning ascribed to such phrase in the *Securities*

Act (Alberta)) shall beneficially own or control, directly or indirectly, Voting Shares in the capital of the Borrower which have or represent more than 50% of all the votes entitled to be cast by shareholders for an election of the board of directors of the Borrower;

“**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time;

“**Damages**” has the meaning set forth in Section 11.2;

“**Default**” means any event or condition which, with the giving of notice, lapse of time or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default;

“**Default Rate**” means the rate of interest that is 11.0%;

“**Dollars**” and “**\$**” means the lawful currency of the United States;

“**Effective Date**” means July 14, 2023;

“**Environmental Laws**” means any and all applicable federal, provincial, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment, to the release of any materials into the environment or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals, industrial substances, toxic substances, hazardous substances or wastes;

“**Event of Default**” means any of the events or circumstances specified in Section 8.1;

“**Excluded Taxes**” means, with respect to the Lender or any other recipient of any payment to be made by or on account of any obligation hereunder or under any other Loan Document:

- (a) Taxes imposed on or measured by its net income or capital, net profits and franchise Taxes imposed on it (in lieu of net income taxes) by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located, in which it carries on business or, in the case of the Lender, in which its lending office is located or is a resident in that jurisdiction or as a result of any other present or former connection with that jurisdiction (other than any such connection arising solely from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, this Agreement or any other Loan Document);
- (b) any branch profits Taxes or any similar tax imposed by any jurisdiction in which the Lender is located or carries on business;
- (c) Taxes attributable to the Lender's failure to comply with Sections 3.4(c) and 3.4(d);
- (d) any Taxes imposed under FATCA or Part XVIII of the Income Tax Act (Canada); and
- (e) any Taxes imposed on a payment or deemed payment by reason of the recipient (i) not dealing at arm's length for the purposes of the *Income Tax Act* (Canada) with the Borrower, (ii) being a "specified non-resident shareholder" of the Borrower (for purposes of subsection 18(5) of the *Income Tax Act* (Canada)) at the time of payment or deemed payment, or by reason of such recipient not dealing at arm's length for the purposes of the *Income Tax Act* (Canada) with a "specified shareholder" of the Borrower at the time

of payment or deemed payment, (iii) being a person who is a "specified entity" (as defined in proposed subsection 18.4(1) of the *Income Tax Act* (Canada) contained in proposals to amend such Act released on April 29, 2022) or substantially analogous provisions of any finally enacted amendment to the *Income Tax Act* (Canada) in respect of the Borrower, except where the non-arm's length relationship arises, where the recipient is a "specified non-resident shareholder" or does not deal at arm's length with a "specified shareholder", or where the recipient is a "specified entity", in each case, on account of the recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or enforced this Agreement or any other Loan Document;

"Facility" means the non-revolving, term credit facility established by the Lender in favour of the Borrower in an aggregate amount of \$[●];

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreement entered into to implement such Sections of the Code, and any laws, rules and practices adopted by a non-U.S. jurisdiction to effect any such intergovernmental agreement;

"GAAP" means generally accepted accounting principles which are in effect from time to time in Canada including, for certainty, IFRS (but only to the extent IFRS is adopted by the Chartered Professional Accountants Canada or any successor thereto ("**CPA**") as generally accepted accounting principles in Canada and, then, subject to such modifications thereto as are agreed by the CPA from time to time);

"Governmental Authorities" means any federal, state, provincial, county, local or municipal government; any governmental body, agency, authority, board, bureau, department or commission (including any taxing authority); any instrumentality or office of any of the foregoing (including any court or tribunal) exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

"Indebtedness" of a Person means any debt or other monetary liability (whether actual or contingent) in respect of monies borrowed, including a debt or monetary liability under or in respect of:

- (a) any bonds, debentures, notes or similar instruments;
- (b) any bankers' acceptance;
- (c) any lease that would be a Capital Lease under GAAP;
- (d) any reimbursement obligation to an issuer of any letter of credit (whether contingent or otherwise); and
- (e) any guarantee of or indemnity in respect of any of the foregoing;

"Indemnified Taxes" means Taxes other than Excluded Taxes;

"Judgment Currency" has the meaning set forth in Section 11.3;

"Loan Documents" means this Agreement, and all certificates, notices, instruments and other agreements or documents delivered or to be delivered by the Borrower to the Lender in relation to the Facility pursuant hereto or thereto;

“Material Adverse Effect” means any fact or circumstance which would have a material adverse effect on the business, financial condition, operations or property of the Borrower and its Subsidiaries, taken as a whole, or which would have a material adverse effect on the ability of the Borrower to perform its obligations under the Loan Documents;

“Maturity Date” means July 14, 2026;

“Mineral” means naturally occurring, inorganic solids with a definite chemical composition and a crystal lattice structure;

“Obligations” means, as the context requires, without duplication, the aggregate amount of all obligations, liabilities and Indebtedness, contingent or otherwise, of the Borrower to the Lender under the Loan Documents;

“Outstanding Principal” means, at any time, the principal amount of the Advance outstanding;

“Party” means a party to this Agreement, and **“Parties”** shall have a corresponding meaning;

“P&NG and Mineral Leases” means, collectively, any and all documents of title including leases, reservations, permits, licences, unit agreements, assignments, trust declarations, participation, exploration, farm-out, farm-in, royalty, purchase or other agreements by virtue of which the Borrower or any Subsidiary is entitled to explore for, drill for, recover, take or produce Petroleum Substances and Minerals of any kind whatsoever from or with respect to P&NG and Mineral Rights owned by the Borrower or any Subsidiary (as applicable), or to share in the production or proceeds of production or any part thereof or proceeds of royalty, production, profits or other interests out of, referable to or payable in respect of Petroleum Substances and Minerals of any kind whatsoever from or with respect to P&NG and Mineral Rights owned by the Borrower or any Subsidiary (as applicable), and the rights of the Borrower or any Subsidiary (as applicable) thereunder;

“P&NG and Mineral Rights” means all of the right, title, estate and interest, whether contingent or absolute, legal or beneficial, present or future, vested or not, and whether or not an “interest in land”, of the Borrower and its Subsidiaries in and to any of the following, by whatever name the same are known:

- (a) rights to explore for, drill for and produce, take, save or market Petroleum Substances and Minerals;
- (b) rights to a share of the production of Petroleum Substances and Minerals;
- (c) rights to a share of the proceeds of, or to receive payments calculated by reference to the quantity or value of, the production of Petroleum Substances and Minerals;
- (d) rights to acquire any of the rights described in subparagraphs (a) through (c) of this definition;
- (e) interests in any rights described in subparagraphs (a) through (d) of this definition; and
- (f) all extensions, renewals, replacements or amendments of or to the foregoing items described in subparagraphs (a) through (e) of this definition;

“Permitted Indebtedness” means:

- (a) the Obligations;
- (b) any Indebtedness; provided that the aggregate outstanding amount thereof does not exceed \$15,000,000 at any time; and
- (c) any other Indebtedness; provided that, at the time such Indebtedness is incurred, no Default or Event of Default has occurred and is continuing or would result immediately thereafter;

“Permitted Liens” means, as at any particular time, any of the following Security Interests on the property or any part of the property of the Borrower:

- (d) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested in good faith by the Borrower;
- (e) deemed liens and trusts arising by operation of law in connection with workers' compensation, employment insurance and other social security legislation, in each case, which secure obligations not at the time due or delinquent or, if due or delinquent, the validity of which is being contested in good faith by the Borrower;
- (f) liens under or pursuant to any judgment rendered, or claim filed, against the Borrower and the Borrower shall be contesting in good faith;
- (g) undetermined or inchoate liens and charges incidental to construction, maintenance or current operations which have not at such time been registered or filed pursuant to applicable law against the Borrower or the subject property or which relate to obligations not due or delinquent or, if due or delinquent, the validity of which is being contested in good faith by the Borrower;
- (h) liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the exploration, development or operation of P&NG and Mineral Rights, related production or processing facilities in which such Person has an interest or the transmission of Petroleum Substances and Minerals, in each case, as security in favour of any other Person conducting or participating in the exploration, development, operation, production, processing or transmission of the property to which such liens relate, for the Borrower's portion of the costs and expenses of such exploration, development, operation, production, processing or transmission, provided that such costs or expenses are not due or delinquent or, if due or delinquent, the validity of which is being contested at the time in good faith by the Borrower;
- (i) liens for penalties arising under non-participation or independent operations provisions of operating or similar agreements in respect of the Borrower's P&NG and Mineral Rights, provided that such liens do not materially detract from the value of any material part of the property of the Borrower and its Subsidiaries, taken as a whole;
- (j) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the P&NG and Mineral Rights of the Borrower;
- (k) easements, rights of way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights of way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles,

wires and cables) granted to or reserved or taken by other Persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of the Borrower and its Subsidiaries, taken as a whole;

- (l) security given by the Borrower to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Borrower, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of the Borrower and its Subsidiaries, taken as a whole;
- (m) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions and reservations to title;
- (n) any encumbrance or agreement now in effect relating to pooling or a plan of unitization affecting the property of the Borrower, or any part thereof;
- (o) royalties, net profits and other interests and obligations arising in accordance with standard industry practice and in the ordinary course of business, under P&NG and Mineral Leases in which the Borrower has any interest;
- (p) any operating lease entered into in the ordinary course of business, provided that the same is not a Sale-Leaseback;
- (q) Security Interests:
 - (i) created, incurred or assumed to secure any Purchase Money Obligations, provided that the foregoing Security Interests are limited to the property or assets purchased or acquired and the proceeds thereof; and
 - (ii) which are not otherwise Permitted Encumbrances; provided that such Security Interests do not attach generally to all or substantially all of the undertaking, assets and property of the Borrower (such as a Security Interest in the nature of a floating charge on all or substantially all of the undertaking, assets and property of a Person),

provided that the aggregate amount of obligations secured thereby does not at any time exceed the \$500,000; and

- (r) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Security Interest referred to in the preceding subparagraphs (a) to (t) inclusive of this definition, so long as any such extension, renewal or replacement of such Security Interest is limited to all or any part of the same property that secured the Security Interest extended, renewed or replaced (plus improvements on such property) and the indebtedness or obligation secured thereby is not increased,

provided that nothing in this definition shall in and of itself cause the Obligations hereunder to be subordinated in priority of payment to any such Permitted Encumbrance;

“Person” means any individual, firm, partnership, company, corporation or other body corporate, limited liability company, unlimited liability company, joint-venture entity, government, governmental body, agency, instrumentality, unincorporated body of Persons or association;

"Petroleum Substances" means any one or more of crude oil, crude bitumen, synthetic crude oil, petroleum, natural gas, natural gas liquids, related hydrocarbons and any and all other substances, whether liquid, solid or gaseous, whether hydrocarbons or not, produced or producible in association with any of the foregoing, including hydrogen sulphide and sulphur;

"Purchase Money Obligation" means any monetary obligation created or assumed as part of the purchase price of real or tangible personal property, whether or not secured, any extensions, renewals or refundings of any such obligation; provided that the principal amount of such obligation outstanding on the date of such extension, renewal or refunding is not increased and provided further that any security given in respect of such obligation shall not extend to any property other than the property acquired in connection with which such obligation was created or assumed and fixed improvements, if any, erected or constructed thereon and the proceeds thereof;

"Representation Letter" means a representation letter from the Lender in the form attached hereto as Schedule A;

"Request" has the meaning set forth in Section 2.2;

"Sale-Leaseback" means an arrangement, transaction or series of arrangements or transactions under which title to any real property, tangible personal property or fixture is transferred by the Borrower or a Subsidiary (a **"transferor"**) to another Person which leases or otherwise grants the right to use such property to the transferor (or nominee of the transferor) and, whether or not in connection therewith, the transferor also acquires a right or is subject to an obligation to acquire such property or a material portion thereof, and regardless of the accounting treatment of such arrangement, transaction or series of arrangements or transactions.

"Security Interest" means any mortgage, charge, pledge, lien, hypothecation, encumbrance, security assignment, trust arrangement, title retention or other security interest or arrangement of any kind whatsoever having the effect of conferring security;

"Subsidiary" means, in relation to any Person:

- (a) a Person of which another Person alone or in conjunction with its other Subsidiaries owns an aggregate number of Voting Shares sufficient to enable the election of a majority of the directors (or other Persons performing similar functions) regardless of the manner in which other Voting Shares are voted;
- (b) a Person of which another Person alone or in conjunction with its other Subsidiaries has, through the operation of any agreement or otherwise, the ability to elect or cause the election of a majority of the directors (or other Person performing similar functions);
- (c) a general or limited partnership, more than 50% of the partnership interests of which are owned, directly or indirectly, by such Person alone or in conjunction with its other Subsidiaries; or
- (d) any trust of which such Person, alone or in conjunction with its other Subsidiaries, directly or indirectly, owns more than 50% of the beneficial interests therein;

provided that, unless otherwise expressly provided or the context otherwise requires, references herein or in any other Loan Document to "Subsidiary" or "Subsidiaries" shall be and shall be deemed to be references to a Subsidiary or Subsidiaries of the Borrower;

“Tax” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authorities, together with any interest, additions to tax and penalties imposed with respect thereto;

“U.S. Securities Act” has the meaning set forth in Section 5.2(c);

“Voting Shares” means shares of capital stock of any class of any corporation or other securities of any other Person carrying voting rights to elect the board of directors (or other Persons performing similar functions) under all circumstances; provided that, for the purposes of this definition, shares or securities which only carry the right to vote conditionally on the happening of an event shall not be considered Voting Shares, whether or not such event shall have occurred, nor shall any shares or securities be deemed to cease to be Voting Shares solely by reason of a right to vote accruing to shares or securities of another class or classes by reason of the happening of such event; and

“Warrants” means the [●] share purchase warrants issued to the Lender on the Effective Date entitling the Lender to purchase [●] Class A common shares in the capital of the Borrower at an exercise price of CA\$0.48 per share at any time until the Maturity Date on and subject to the terms and conditions as set out in the certificate evidencing such warrants dated as of the Effective Date.

1.2 Non-Business Days

Whenever any payment to be made under any Loan Document or under any other document in connection therewith is stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest payable hereunder or under such ancillary document; provided that any payment of interest due on a day which is not a Business Day shall bear interest at the rate provided herein until paid in accordance with the terms hereof on the next succeeding Business Day.

1.3 Rules of Interpretation

Unless the context otherwise necessarily requires, the following provisions shall govern the interpretation of this Agreement:

- (a) the terms “this Agreement”, “hereof”, “herein”, “hereunder” and similar expressions refer to this Agreement taken as a whole and not to any particular Articles or Section and include any agreement or instrument which amends or is supplementary to this Agreement;
- (b) words importing the singular number only shall include the plural and vice versa, and words importing the use of any gender shall include all genders;
- (c) “month” means calendar month and “year” means a calendar year;
- (d) “in writing” or “written” includes printing, typewriting or any electrical means of communication by which words are capable of being visibly reproduced at a distant point of reception, including email, telecopies, telex or telegraph;
- (e) in the event of any conflict or ambiguity between the provisions of this Agreement and any verbal or written representations, or any of the Security, the provisions of this Agreement shall prevail to the extent necessary to remove the conflict or ambiguity;

- (f) words and terms denoting inclusiveness (such as “include” or “includes” or “including”), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.
- (g) references herein to any Person shall, unless the context otherwise requires, include such Person’s successors and permitted assigns;
- (h) references herein to any agreement including this Agreement or other instrument shall be deemed to include references to the agreement or instrument as varied, modified or replaced from time to time; and any specific references herein to any enactment shall be deemed to include references to such enactment as the same may be amended or re-enacted from time to time; and
- (i) the terms “Article”, “Section”, “Subsection”, “clause”, “paragraph” and “subparagraph” followed by a number and/or letter refer to the specific articles, section, subsection, clause, paragraph or sub-paragraph of this Agreement, unless otherwise indicated.

**ARTICLE 2
AVAILABILITY, PURPOSE AND PROVISION OF THE FACILITY**

2.1 Availability and Purpose of Facility

- (a) Subject to the terms and conditions of this Agreement, the Lender agrees to lend to the Borrower the aggregate principal amount of the Facility by way of a non-revolving term credit facility for the purposes set forth in Section 2.1(b).
- (b) The Facility is being made available for the general corporate purposes of the Borrower and its Subsidiaries.
- (c) Subject to the terms and conditions hereof, on the Effective Date, the Lender shall fund the Advance to the Borrower under the Facility in accordance with Section 2.2.
- (d) The Facility is non-revolving and any amounts thereunder which are repaid may not be reborrowed.

2.2 Advance Under Facility

The Lender shall fund the Advance to the Borrower on the Effective Date in accordance with the following wire instructions:

- Bank
 - Name: [REDACTED]
 - Address: [REDACTED]
 - Institution #:
 - Transit #:
 - SWIFT: [REDACTED]
- Beneficiary
 - Name: [REDACTED]
 - Address: [REDACTED]
 - Account #:

2.3 Repayment of Principal

The Outstanding Principal shall be payable in one lump sum payment on the Maturity Date.

2.4 Interest Payments on Advances

The Borrower shall pay to the Lender accrued interest on the Outstanding Principal in Dollars at a rate of 9.0% *per annum*, compounded and payable quarterly, commencing on the date falling three months from the Effective Date.

2.5 Default Interest

Notwithstanding any other provision hereof, in the event that any amount due hereunder (including any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall pay interest on such unpaid amount (including interest on interest), if and to the fullest extent permitted by Applicable Law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is received for value by the Lender on the date of such payment), and such interest shall accrue daily, be calculated and compounded monthly and be payable on demand, after as well as before maturity, default and judgment, at a rate per annum that is equal to the Default Rate.

2.6 Early Repayment

The Borrower shall not be permitted to prepay all, or any portion of the Outstanding Principal within 12 months after the Effective Date. Thereafter, the Borrower may prepay all or any portion of the Outstanding Principal at any time without notice, including all accrued and uncompounded interest due and payable as of the date such prepayment is made; provided that, on the date of any such prepayment, the Borrower shall pay to the Lender a prepayment fee equal to: (a) for the period of one year commencing 12 months after the Effective Date, 2% of the amount being repaid; and (b) for the period one year commencing 24 months after the Effective Day, 1% of the amount being repaid.

ARTICLE 3 PAYMENT GENERALLY

3.1 Payments to the Lender

All payments made to the Lender pursuant to this Agreement shall be made in accordance with the following instructions:

- Intermediary Bank (if required)
 - Name: [●]
 - Address: [●]
 - SWIFT: [●]
 - Account: [●]
- Bank
 - Name: [●]
 - Address: [●]
 - SWIFT: [●]
 - IBAN: [●]
- Beneficiary
 - Name: [●]
 - Address: [●]
 - Account #: [●]

3.2 Maximum Rate Permitted by Law

In no event shall any interest or fee to be paid hereunder exceed the maximum rate permitted by Applicable Law. In the event any such interest or fee exceeds such maximum rate, such rate shall be reduced to the highest rate permitted under Applicable Law.

3.3 Interest Act Waiver

The Borrower confirms that it fully understands and is able to calculate the rate of interest applicable to the Advance based on the methodology for calculating *per annum* rates provided for in this Agreement and the other Loan Documents. The Borrower hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to this Agreement or any other Loan Document, that the interest payable under this Agreement or any other Loan Document and the calculation thereof has not been adequately disclosed to the Borrower as required pursuant to Section 4 of the *Interest Act* (Canada).

3.4 Taxes

- (a) Any and all payments by or on account of any obligation of the Borrower shall be made free and clear of and without deduction or withholding for or on account of any Indemnified Taxes unless a deduction or withholding is required by law; provided that if any Indemnified Taxes are required to be deducted or withheld from such payments, then (a) the sum payable shall be increased as necessary so that after making all such required deductions or withholdings (including deductions or withholdings applicable to additional sums payable under this Section) the Lender receives an amount equal to the sum it would have received had no such deductions or withholdings been made; (b) the Borrower shall make or cause to be made any required deductions or withholdings in the minimum amount required by law; and (c) the Borrower shall timely pay or remit, or cause to be paid or remitted, the full amount deducted or withheld to the applicable Governmental Authority within the time allowed and in accordance with Applicable Law and shall deliver a copy of the official receipts or other evidence satisfactory to the Lender, acting reasonably, evidencing such remittance to the appropriate Governmental Authority.
- (b) If the Lender receives a refund of any Indemnified Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 3.4, it shall, so long as no Event of Default has occurred and is continuing (unless the Obligations have been repaid in full), pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 3.4 with respect to the Indemnified Taxes giving rise to such refund), net of all out of pocket expenses of the Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund) provided that in no event shall the Lender be required to pay over any such refund received later than one hundred and twenty (120) days following the date on which the Obligations have been repaid in full; provided that the Borrower, upon the request of the Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Lender in the event the Lender is required to repay such refund to such Governmental Authority. This Section 3.4(b) shall not be construed to require the Lender to make available its tax returns (or any other information relating to its Taxes which it deems confidential) to the Borrower or to any other Person.
- (c) If the Lender is entitled to an exemption from or reduction of withholding Tax with respect to payments hereunder or under any other Loan Document shall, at the request of the Borrower, deliver to the Borrower, at the time or times prescribed by Applicable Law or reasonably requested by the Borrower such properly completed and executed documentation prescribed by Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition:
 - (i) the Lender, if requested by the Borrower, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower as will

enable the Borrower to determine whether or not the Lender is subject to withholding or information reporting requirements; and

- (ii) if the Lender ceases to be, or to be deemed to be, resident in Canada for purposes of Part XIII of the Income Tax Act (Canada) or any successor provision thereto shall within five days thereof notify the Borrower in writing.
- (d) Without limiting the generality of the foregoing Section 3.4(c), if a payment made to the Lender hereunder or under any other Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if the Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in section 1471(b) or 1472(b) of the Code, as applicable, or the *Income Tax Act* (Canada)), upon the request of the Borrower, such Lender shall deliver to the Borrower at the time or times prescribed by Applicable Law and at such time or times reasonably requested by the Borrower such documentation prescribed by Applicable Law (including as prescribed by section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower as may be necessary for the Borrower to comply with its respective obligations under FATCA and to determine that the Lender has complied with the Lender's obligations under FATCA or the *Income Tax Act* (Canada) or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 11.4.6, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

3.5 Records

The Lender shall maintain records evidencing the Advance, repayments, all other amounts owing by the Borrower to the Lender hereunder and all cancellations effecting a permanent reduction of any undrawn portion of the Facility. The Lender shall enter in such records details of all amounts from time to time owing, paid or prepaid by the Borrower to the Lender hereunder. The information entered in such records shall, in the absence of manifest error, constitute *prima facie* non-exclusive evidence of the financial obligations of the Borrower to the Lender hereunder.

ARTICLE 4 CONDITION PRECEDENT

This Agreement shall become effective at such time as the Lender has received a duly executed copy of this Agreement.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Borrower

The Borrower represents and warrants to the Lender as follows:

- (a) **Existence.** The Borrower (i) is a corporation validly existing and in good standing under the laws of its jurisdiction of formation and (ii) has all necessary power and authority to own its properties and carry on its business as presently carried on.
- (b) **Power.** The Borrower has all requisite power, authority and capacity to execute and deliver the Loan Documents and to fully observe and perform them in accordance with the terms thereof.
- (c) **Authorization.** The Borrower has taken all necessary corporate and other action (as applicable) of its directors, shareholders and other Persons (as applicable) to authorize

the execution, delivery and performance of the Loan Documents and to observe and perform the provisions thereof in accordance with the terms therein.

- (d) **Due Authorization; No Conflict.** Neither the execution and delivery of this Agreement or any other Loan Document, nor compliance with the terms and conditions of any of them:
 - (i) has resulted, or will result, in a violation of:
 - (A) the constating documents or by-laws of the Borrower;
 - (B) any agreement or instrument to which the Borrower is a party or by which it is bound; or
 - (C) any Applicable Law; or
 - (ii) has resulted or will result in the creation of, or the obligation to create, any Security Interest on, against or in respect of any of any property of the Borrower.
- (e) **Binding Obligations.** Each of the Loan Documents constitutes legal, valid and binding obligations of the Borrower and is enforceable against it in accordance with the terms thereof, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, or similar statutes affecting the enforcement of creditors' rights generally and by general principles of equity.

5.2 Representations and Warranties of the Lender

The Lender represents and warrants to the Borrower as follows:

- (a) **Representation Letter.** The Lender has duly executed and delivered to the Borrower a Representation Letter, and each of the statements, representations and warranties made by the Lender therein are true and complete as of the date hereof.
- (b) **Securities Law Requirements.** There are no prospectus, registration or other disclosure or similar requirements applicable to the issuance of the Warrants to the Lender in any jurisdiction the securities laws of which are applicable to the Lender.
- (c) **Residency.** The Lender is neither resident in the United States nor a "U.S. Person" as defined in Regulation S under the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"). The Lender is not acquiring the Warrants as a result of any form of directed selling efforts in the United States, as such term is defined in Regulation S under the U.S. Securities Act. The Lender is aware that the Warrants have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any U.S. state and that the Warrants may not be offered or sold in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and the applicable laws of all applicable states, and acknowledges and agrees that the Borrower has no present intention of filing a registration statement under the U.S. Securities Act in respect of any of the Shares.

5.3 Nature of Representations and Warranties

The representations and warranties set out in this Agreement or deemed to be made pursuant hereto shall survive the execution and delivery of this Agreement and the making of the Advance, notwithstanding any investigations or examinations which may be made by the Lender or the Lender's counsel. Such representations and warranties shall survive until this Agreement has been terminated.

ARTICLE 6 POSITIVE COVENANTS

6.1 Positive Covenants

The Borrower covenants with the Lender that, so long as any part of the Obligations remain unpaid or outstanding:

- (a) **Payment and Performance.** The Borrower shall pay or cause to be paid all sums of money due by it hereunder and shall perform all other obligations on its part to be performed under the terms of the Loan Documents at the times and places and in the manner provided for therein.
- (b) **Existence, Status and Conduct of Business.** The Borrower shall:
 - (i) maintain its corporate existence in good standing;
 - (ii) register and qualify, and remain duly registered and qualified as a corporation authorized to carry on business under the laws of each jurisdiction in which the nature of any business transacted by it or the character of any property and assets owned or leased by it requires such registration and qualification, except to the extent any failure to do same would not reasonably be expected to have a Material Adverse Effect;
 - (iii) preserve and keep in full force and effect and good standing all franchises, licences, rights, privileges and permits necessary to enable it to operate and conduct its respective businesses in accordance with good industry practice, except to the extent any failure to do same would not reasonably be expected to have a Material Adverse Effect; and
 - (iv) conduct its business, activities and operations and to do all things necessary or required to have all of their properties, assets and operations owned, operated and maintained in a manner consistent with diligent and prudent business practice in the construction and other applicable industries and at all times cause the same to be owned, operated, maintained, except to the extent any failure to do same would not reasonably be expected to have a Material Adverse Effect.
- (c) **Compliance with Laws.** The Borrower will comply with all Applicable Laws, including Environmental Laws, and obtain and maintain all permits, licenses, consents and approvals necessary to the ownership of its property and to the conduct of its business in each jurisdiction where it carries on business or owns property, including those issued or granted by Governmental Authorities, except to the extent that any failure to do same would not have a Material Adverse Affect.
- (d) **Maintenance of Books and Records.** The Borrower shall keep proper and adequate records and books of account in which true and complete entries will be made in a manner sufficient to enable the preparation of consolidated financial statements in accordance with GAAP.
- (e) **Taxes.** The Borrower will pay or discharge or cause to be paid and discharged, when the same shall become due (or, as to any thereof which are being contested in good faith, promptly following final determination of such contest), all material Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or any property belonging to it, including all ad valorem, severance, gross income, gross receipts, gross profits, gross production, excise, sales, franchises, income and other

taxes and assessments of any kind whatsoever (including any interest and penalties payable thereon or with respect thereto), imposed upon or assessed with respect to or measured by or charged against or attributable to any of its assets or the proceeds of sale thereof.

- (f) **Use of Proceeds.** The Borrower shall only use the Facility for the purposes specified in Section 2.1(b).
- (g) **Further Assurances.** The Borrower shall do all such further acts and things and execute and deliver all such further documents, deeds, instruments and assurances, and do or cause to be done all such other acts and things as requested by the Lender in order to ensure that each provision hereof and of the other Loan Documents continues to be a valid and binding obligation of the Borrower, enforceable against it in accordance with its term.

ARTICLE 7 NEGATIVE COVENANTS

7.1 Negative Covenants

The Borrower covenants with the Lender that, so long as any part of the Obligations remain unpaid or outstanding, and without the Lender's prior written consent:

- (a) **Limitation on Security Interests.** The Borrower will not create, incur, assume or suffer to exist any Security Interest upon or with respect to any of its assets, properties or undertaking, other than Permitted Liens.
- (b) **Limitation on Incurrence of Indebtedness.** The Borrower shall not incur any Indebtedness other than Permitted Indebtedness.
- (c) **Limitation on Dispositions.** The Borrower shall not, directly or indirectly, make any sale, exchange, lease, transfer or other disposition of any of its properties or assets to any Person if a Default or an Event of Default has occurred and is continuing.
- (d) **No Merger.** The Borrower shall not consolidate, effect an arrangement or reorganization, merge or amalgamate with or into or wind up into, any other Person, unless the surviving entity is the Borrower.

ARTICLE 8 EVENTS OF DEFAULT

8.1 Events of Default

An Event of Default shall exist for the purposes of this Agreement if any one or more of the following events occur:

- (a) **Failure to Pay.** The Borrower shall fail to pay any amount of principal or interest, or on any other amounts payable under this Agreement, on the day such amount becomes due and payable, and such default is not remedied within ten Business Days.
- (b) **Representations and Warranties.** Any representation or warranty made by the Borrower under or in connection with this Agreement or any other Loan Document is untrue or incorrect when made and such misrepresentation, if curable, shall remain uncured for 45 Business Days after the earlier of (i) the Borrower becoming aware of the incorrect or untrue nature of such representation or warranty and (ii) written notice of the

incorrect or untrue nature of such representation or warranty having been given to the Borrower by the Lender.

- (c) **Covenants.** If there is a breach or default in the performance, observance, or compliance any term, covenant or agreement contained in this Agreement or any other Loan Document, and breach or default shall remain unremedied for 45 Business Days after the earlier of (i) the Borrower becoming aware of such breach or default and (ii) written notice of such breach or default having been given to the Borrower by the Lender.
- (d) **Voluntary Insolvency.** If the Borrower shall be dissolved or shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors or if a resolution is passed for the dissolution, winding-up or liquidation of the Borrower or if the Borrower institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it, under the *Bankruptcy Act*, the *Companies' Creditors Arrangement Act* or any other bankruptcy, insolvency or analogous law, or consents to the filing of any petition under any such law or to the appointment of a receiver or other person with like powers of the or of all or any substantial part of the property of the Borrower.
- (e) **Involuntary Insolvency.** If a decree or order of a court of competent jurisdiction is entered against the Borrower adjudging the Borrower as bankrupt or insolvent, or approving a petition seeking reorganization or winding-up of the Borrower under the *Bankruptcy Act*, the *Companies' Creditors Arrangement Act* or any other bankruptcy, insolvency or analogous law, or appointing a receiver or other person with like powers or of all or any substantial part of the property of the Borrower or ordering the involuntary winding up or liquidation of the affairs of the Borrower, and any such decree or order continues unstayed and in effect for a period of more than 60 days, or if any receiver or other person with like powers is appointed of the Borrower, whether by means of private appointment or other manner of appointment, or of all or any substantial part of the property of the Borrower and any such appointment continues undischarged and in effect for a period of more than 60 days.
- (f) **Dissolution, etc.** except as permitted under this Agreement, if proceedings are commenced for the dissolution, liquidation or winding-up of the Borrower unless such proceedings are being actively and diligently contested in good faith, or if a decree or order is enacted for the dissolution, liquidation or winding-up of the Borrower.
- (g) **Change of Control.** If a Change of Control occurs.

ARTICLE 9 ACCELERATION AND REMEDIES

9.1 Acceleration and Remedies

Notwithstanding any other term of this Agreement, the Lender may (but it shall not be obliged to give the further notice referred to in this Section), following the occurrence of any Event of Default which has not been remedied or waived, give written notice to the Borrower declaring that the Obligations are immediately due and payable; provided that, upon the occurrence of an Event of Default specified in Section 8.1(d) or 8.1(e), the Facility shall automatically terminate and all Obligations shall automatically become due and payable, in each case without any requirement that notice be given to the Borrower. Upon the giving of such notice, or the occurrence of an Event of Default specified in Section 8.1(d) or 8.1(e), the Borrower will be obligated without any further grace period to forthwith pay such amounts and the Lender may exercise any and all rights, remedies, powers, privileges afforded by Applicable Law (including any rights of set-off) or under any and all other instruments, documents and agreements made to assure payment and performance of the Obligations, including commencing such legal action or other

proceedings as the Lender may deem expedient, without notice, presentation, demand or protest, and such rights are hereby waived by the Borrower.

9.2 Waivers

Any Event of Default may be waived in writing by the Lender, in its sole discretion.

9.3 The Lender May Perform Covenants

If the Borrower shall fail to perform any covenant on its part herein contained, the Lender may perform any such covenant capable of being performed by the Lender and, if any such covenant requires the payment or expenditure of money, the Lender may make such payment or expenditure with its own funds. All amounts so paid by the Lender hereunder shall be repaid by the Borrower on demand therefor, and shall bear interest at the Default Rate commencing on the day of payment of such amounts by the Lender.

**ARTICLE 10
NOTICES**

10.1 Notices

Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by transmittal by telecopy or other electronic means of communication addressed to the respective parties as follows:

- (a) to the Borrower:

Condor Energies Inc.
Suite 1000, 521 – 3rd Ave SW
Calgary, Alberta, Canada, T2P 3T3
Attention: Sandy Quilty, CFO
Email: [REDACTED]

- (b) to the Lender:

[●]

Attention: [●]
Email: [●]

or to such other address or facsimile number as any party may from time to time notify the others in accordance with this Section. Any demand, notice or communication made or given by personal delivery or by telecopy or other electronic means of communication during normal business hours at the place of receipt on a Business Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Business Day. Any demand, notice or communication made or given by personal delivery or by telecopy or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Business Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Calgary time) on the first Business Day following actual delivery or transmittal, as the case may be.

**ARTICLE 11
COSTS, EXPENSES AND INDEMNIFICATION**

11.1 Costs and Expenses

The Borrower shall be responsible for all costs and expenses in connection with the preparation, establishment of the validity and enforceability, and the preservation or enforcement of rights of the Lender under this Agreement and other Loan Documents, including all costs and expenses related to the Borrower's counsel. The Lender shall be responsible for its out-of-pocket costs and expenses, if any, in connection with the establishment this Agreement and the Loan Documents including any costs associated with Lender's counsel. Each Party shall be responsible for their own banking fees in connection with payments made under this Agreement and other Loan Documents.

11.2 General Indemnity

The Borrower hereby covenants with the Lender that it shall at all times hereafter indemnify the Lender and hold harmless from and against all suits (whether founded or unfounded), actions, proceedings, judgments, demands or claims instituted or made against the Lender in any way relating to or arising out of any of the Loan Documents, and all costs, losses, liabilities, damages and expenses (including all reasonable and documented legal fees on a solicitor and his own client basis) incurred by the Lender in any way relating thereto or relating to or arising out of the Loan Documents and the transactions contemplated thereby, including in respect of any default by the Borrower under any provision of any of the Loan Documents (collectively, the "**Damages**"). This indemnity shall not apply to Damages to the extent that such Damages are determined by a court of competent jurisdiction by final and non-appealable judgment to be arising from or attributable to the wilful misconduct or gross negligence of the Lender or any of its officers, directors and employees. The provisions of this Section 11.2 shall survive repayment in full of the Obligations and the termination of this Agreement.

11.3 Judgment Currency

If for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement it becomes necessary to convert into the currency of such jurisdiction (herein called the "**Judgment Currency**") any amount due hereunder in any currency other than the Judgment Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose "**rate of exchange**" means the spot rate at which the Lender will, on the relevant date at or about 12:00 o'clock noon (Calgary time), sell such currency in Calgary, Alberta against the Judgment Currency. In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts (if any) as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of payment is the amount then due under this Agreement in such other currency. Any additional amount due from the Borrower under this Section 11.2 will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Agreement.

**ARTICLE 12
GENERAL**

12.1 Governing Law: Jurisdiction: Etc.

- (a) **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.

- (b) **Submission to Jurisdiction.** Each of the Parties hereto irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province of Alberta, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the Parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each of the Parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.
- (c) **Waiver of Venue.** Each of the Parties hereto irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the Parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

12.2 Term and Survival

The term of this Agreement shall terminate on the earlier of the (a) Maturity Date, (b) the date upon which the Obligations have been paid, satisfied and discharged. The provisions of Sections 5.1, 11.1, 11.2, 12.1 and 12.3 shall survive the repayment in full of the Obligations and the termination of this Agreement.

12.3 Confidentiality

- (a) Each Party agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to it, its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (iii) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (iv) to any other Party hereto, (v) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement, (vii) with the consent of the other Parties (such consent not to be unreasonably withheld or delayed) or (viii) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section 12.3 or (B) becomes available to such Party on a non-confidential basis from a source other than another Party.
- (b) For purposes of this Section 12.3, "**Information**" means all information received in connection with this Agreement from any other Party and relating to any Party, any Subsidiary thereof, or any of their respective businesses, other than any such information that is available to such Party on a non-confidential basis prior to such receipt.
- (c) The provisions of this Section 12.3 shall survive the repayment of the Obligations in full and the cancellation of the Facility and shall continue for a period of two years after the later of (i) the termination of this Agreement, and (ii) the repayment of the Obligations in full.

12.4 Assignment and Enurement

This Agreement and the other Loan Documents shall enure to the benefit of and be binding upon the Parties hereto and their successors and permitted assign. No party may assign their rights under this Agreement or any other Loan Document without the prior written consent of the other Party.

12.5 Time of Essence

In this Agreement time is of the essence.

12.6 Severability

Any provision of this Agreement which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions hereof in such jurisdiction and any such prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable such provision in any other jurisdiction.

12.7 Amendments and Waivers

No breach of any of the provisions of any of the Loan Documents may be waived or discharged verbally; any such waiver or discharge may only be made by way of an instrument in writing signed by the Lender and, if required, by the Borrower, and such waiver or discharge will then be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower therefrom, shall be effective unless in writing executed by the Borrower and the Lender.

12.8 Counterparts

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Delivery of any executed signature page of this Agreement or any amendment or waiver in respect thereof by facsimile transmission or in .pdf format shall be effective as delivery of a manually executed counterpart hereof. The words "execution," "signed," "signature," and words of like import in this Agreement or any other Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be duly executed as of the date first written above.

[●], AS LENDER

Per: _____

Name:

Title:

Per: _____

Name:

Title:

CONDOR ENERGIES INC., AS BORROWER

Per: _____

Name: Don Streu

Title: President and CEO

Per: _____

Name: Sandy Quilty

Title: Vice President Finance and CFO

SCHEDULE A
REPRESENTATION LETTER

TO: CONDOR ENERGIES INC. (the “Borrower”)

(Capitalized terms not specifically defined in this Representation Letter have the meaning ascribed to them in the Credit Agreement to which this Representation Letter is attached)

In connection with the execution by the undersigned Lender of the Credit Agreement which this Representation Letter forms a part of, the undersigned Lender hereby represents, warrants, covenants and certifies to the Borrower that:

1. The Lender is resident in the jurisdiction set out in Section 10.1(b) of the Credit Agreement (the “**Foreign Jurisdiction**”) and the Lender certifies that it is not resident in or otherwise subject to applicable securities laws of any province, territory or state of Canada or the United States.
2. The Lender is receiving the Warrants pursuant to an exemption from any prospectus or securities registration or similar requirements under the applicable securities laws of the Foreign Jurisdiction or any other securities laws to which the Lender is otherwise subject.
3. If the Lender is resident in or otherwise subject to applicable securities laws of a member state (“**Member State**”) of the European Economic Area (“**EEA**”) which has implemented Directive 2003/71/EC (the “**Prospectus Directive**”) other than the United Kingdom, the Lender represents and warrants that it is:
 - (a) a qualified investor within the meaning of the law in that Member State of the EEA which implements Article 2(1)(e) of the Prospectus Directive; and
 - (b) is not acting as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive(collectively, a “**permitted participant**”).
4. If the Lender is resident in or otherwise subject to applicable securities laws of the United Kingdom:
 - (a) the Lender is acquiring the Warrants as principal for its own account;
 - (b) the Lender is a person in the United Kingdom who: (i) is a permitted participant, (ii) is a “qualified investor” for the purposes of section 86(7) of the *Financial Services and Markets Act 2000* (as amended by the *Financial Services Act 2012*) (“**FSMA**”), (iii) is such a person as is referred to in Article 19 (investment professionals) or Article 49 (high net worth companies, unincorporated associations, etc.) of the *Financial Services and Markets Act 2000* (Financial Promotion) Order 2005; and (iv) has complied with and undertakes to comply with all applicable provisions of the FSMA and other applicable securities laws with respect to anything done by it in relation to the Warrants in, from or otherwise involving the United Kingdom; and
 - (c) it confirms that, to the extent applicable to it, it is aware of, has complied and will comply with its obligations in connection with the *Criminal Justice Act 1993*, the *Proceeds of Crime Act 2002*, Part VIII of the FSMA, and the Money Laundering Regulations 2007 (the “**Regulations**”) and has complied fully with its obligations pursuant to the Regulations

and will provide all such information and documents as may be required in relation to it that may be required by the Borrower or any agent or person acting for it in order to discharge any obligations under the Regulations.

5. The acquisition of the Warrants by the Lender does not contravene any of the applicable securities laws in the Foreign Jurisdiction or any other securities laws to which the Lender is otherwise subject and does not result in: (a) any obligation of the Borrower to prepare and file a prospectus, an offering memorandum or similar document; or (ii) any obligation of the Borrower to make any filings with or seek any approvals of any kind from any regulatory body in such jurisdiction or any other ongoing reporting requirements with respect to such acquisition or otherwise; or (iii) any registration or other obligation on the part of the Borrower under the applicable securities laws in the Foreign Jurisdiction or any other securities laws to which the Lender is otherwise subject.
6. The Warrants are being acquired for investment purposes only and not with a view to the resale or distribution of all or any of the Warrants.
7. The Lender is knowledgeable of, and has been independently advised as to, the securities laws of the Foreign Jurisdiction or any other securities laws to which the Lender is otherwise subject.

Upon execution of this Representation Letter by the undersigned Lender, this Representation Letter shall be incorporated into and form a part of the Credit Agreement.

Dated: _____, 2023

Print name of Lender

By: _____
Signature

Print name of Signatory (if different from the Lender)

Title