

**CONDOR ENERGIES INC.  
AND  
COMPUTERSHARE TRUST COMPANY OF CANADA**

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**TRUST INDENTURE**

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**Providing for the Issue of 12.0% Unsecured Convertible Debentures**

**December 24, 2025**

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## **ADDENDA**

Schedule "A" Form of Certificated Debenture

Schedule "B" Form of Maturity Notice

Schedule "C" Form of Notice of Conversion

**THIS INDENTURE** made as of the 24<sup>th</sup> day of December, 2025.

BETWEEN:

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

AND

**COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company governed by the laws of Canada, authorized to carry on the business of a trust company in each of the provinces and territories of Canada, having an office in the City of Calgary, Alberta (the "**Trustee**").

WHEREAS the Corporation deems it advisable to create and issue the Debentures in the manner and subject to the terms and conditions of this Indenture;

AND WHEREAS the Corporation, under the laws relating thereto and its constating documents, is duly authorized to create and issue the Debentures as provided in this Indenture;

AND WHEREAS the Corporation has taken all necessary steps and all other proceedings have been taken and conditions complied with to make the creation and issue of the Debentures proposed to be issued as provided in this Indenture, when certified by the Trustee and issued hereunder, legal, valid and binding obligations of the Corporation with the benefits and subject to the terms of this Indenture;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Trustee.

NOW THEREFORE THIS INDENTURE WITNESSES that in consideration of the respective covenants and agreements contained herein and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Corporation and the Trustee covenant and agree, for the benefit of each other and for the equal and rateable benefit of the holders, as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

In this Indenture and in the Debentures, unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the meanings set forth below:

- (a) "**Additional Amounts**" has the meaning ascribed thereto in Section 2.12;
- (b) "**Additional Debentures**" means debentures of any one or more series, other than the first series of debentures being the Debentures, issued under this Indenture;
- (c) "**Affiliate**" means any person which, directly or indirectly, controls, is controlled by or is under common control with another person; and for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" or "under common control") means the power to direct or cause the direction of the management and policies of any person, whether through the ownership of voting shares or by contract or otherwise; provided that, in any event, any person that owns directly or indirectly securities having 20% or more of the voting power for the election of directors or other governing body of any other person (other than as a limited partner of such other person) will be deemed to control such corporation or other person;

- (d) **“Applicable Securities Legislation”** means, at any time, in respect of any corporation, applicable securities laws in the provinces and territories of Canada in which such corporation is a “reporting issuer” or the equivalent at such time and the respective regulations and rules made under those securities laws together with applicable policy statements, blanket orders and rulings of, and all applicable discretionary orders or rulings, if any, granted to such corporation by, the applicable securities commission or regulatory authority in each such province and territory, together with applicable published policy statements and instruments of the Canadian Securities Administrators, or regulations adopted under any of the foregoing;
- (e) **“Authenticated”** means, (i) with respect to the issuance of Certificated Debentures, one which has been authenticated by signature of an Authorized Officer of the Trustee; and (ii) with respect to the issuance of Uncertificated Debentures, that the Trustee has completed all Internal Procedures such that the particulars of such Uncertificated Debentures as required by Section 2.7 are entered in the register of holders of Debentures, and the terms “Authenticate”, “Authenticating” and “Authentication” have meanings correlative to the foregoing;
- (f) **“Authorized Investments”** has the meaning ascribed thereto in Section 12.8;
- (g) **“Authorized Officer”** means authorized officer(s) of the Corporation or of the Trustee, as the case may be;
- (h) **“Beneficial Owner”** means any person who holds a beneficial interest in a Debenture;
- (i) **“Board Resolution”** means a copy of a resolution certified by any officer of the Corporation to have been duly adopted by the board of directors of the Corporation and to be in full force and effect on the date of such certification;
- (j) **“Book Entry Debentures”** means an Uncertificated Debenture which is registered in the name of the Depository and for which ownership and transfers of beneficial interests therein are made through book entries by such Depository (and other securities intermediaries); provided that such Book Entry Debenture will cease to exist upon the occurrence of an event whereupon book entry transfers relating to such Debentures are no longer permitted and Certificated Debentures have been issued to the Beneficial Owners of such Book Entry Debentures in accordance with Section 2.3;
- (k) **“Business Day”** means any day other than a Saturday, Sunday or any other day on which Schedule I Canadian chartered banks are not generally open for business;
- (l) **“Capital Reorganization”** has the meaning ascribed thereto in Section 4.4(b);
- (m) **“CDS”** mean the CDS Clearing and Depository Services Inc.;
- (n) **“Certificated Debenture”** means a Debenture evidenced by a writing in the form of Schedule “A”;
- (o) **“Change of Control”** means
- (i) any transaction (other than a transaction described in clause (iii) below) pursuant to which any person or group of persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 51% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities entitled to vote in the election of directors of the Corporation;

- (ii) a consummated arrangement, amalgamation, merger, consolidation, take-over bid, compulsory acquisition or similar transaction involving (directly or indirectly) the Corporation if, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 51% of the combined outstanding voting power of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction or (B) more than 51% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction; or
  - (iii) the sale, lease, exchange, license or other disposition of all or substantially all of the Corporation's assets to a person other than a person that was an Affiliate of the Corporation at the time of such sale, lease, exchange, license or other disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Corporation in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such sale, lease, exchange, license or other disposition;
- (p) **"Change of Control Notice"** has the meaning ascribed thereto in Section 2.2(j)(ii);
  - (q) **"Change of Control Redemption Date"** has the meaning ascribed thereto in Section 2.2(j)(i);
  - (r) **"Change of Control Redemption Price"** has the meaning ascribed thereto in Section 2.2(j)(i);
  - (s) **"Change of Control Redemption Right"** has the meaning ascribed thereto in Section 2.2(j)(i);
  - (t) **"Conversion Price"** means the dollar amount expressed in Canadian dollars for which each Share may be issued from time to time upon the conversion of Debentures and which amount is, as of the Issuance Date, \$2.00 and subject to adjustment in accordance with the provisions of Article 4;
  - (u) **"Convertible Securities"** means all subscriptions, options, calls, warrants, commitments, contracts, pre-emptive rights, rights of first refusal, demands, conversion rights or other agreements, arrangements or securities of any character or nature whatsoever under which the Corporation is or may be obliged to issue any Shares or other securities of the Corporation or securities directly or indirectly convertible into, or exercisable or exchangeable for, Shares;
  - (v) **"Corporation"** means Condor Energies Inc. and includes any successor to or of the Corporation which shall have complied with the provisions of Article 8;
  - (w) **"Corporation's Auditors"** or **"Auditors of the Corporation"** means an independent firm of chartered professional accountants duly appointed as auditors of the Corporation;
  - (x) **"Counsel"** means a barrister or solicitor or firm of barristers or solicitors retained or employed by the Trustee and acceptable to the Corporation, acting reasonably, or retained or employed by the Corporation and acceptable to the Trustee, acting reasonably;
  - (y) **"Current Market Price"** means, on any date, the volume weighted average of the trading price per share of the Shares on the TSX for the five (5) consecutive trading days ended

two trading days before the applicable date, or such other principal stock exchange upon which the Shares are then listed, or, if the Shares are not listed on any stock exchange, then on such over-the-counter market as the Shares may then trade, and, in the event the Shares do not trade on any over-the-counter market, the Current Market Price shall be the fair market value of the Shares as at such date as determined by an Investment Dealer selected by the Corporation. The volume-weighted average trading price shall be determined by dividing the aggregate sale price of all Shares sold on the said exchange or market, as the case may be, on each of the said five (5) consecutive trading days by the total number of Shares so sold;

- (z) **“Date of Conversion”** has the meaning ascribed thereto in Section 4.3(b);
- (aa) **“DBRS”** means DBRS Limited or any successor to the rating agency business thereof.
- (bb) **“Debentureholders”** or **“holders”** means, at any time, the persons at that time entered in the register for Debentures as registered holders of Debentures;
- (cc) **“debentures”** means the debentures, notes or other evidence of indebtedness of the Corporation issued and certified hereunder, or deemed to be issued and certified hereunder, including, without limitation, the Debentures, and for the time being outstanding, whether in definitive, uncertificated or interim form or in the form of Global Debentures;
- (dd) **“Debentures”** means the debentures of the Corporation issued and certified hereunder, or deemed to be issued and certified hereunder, designated as “12.0% Unsecured Convertible Debentures”, and for the time being outstanding as described in Section 2.2;
- (ee) **“deemed year”** has the meaning ascribed thereto in Section 2.9;
- (ff) **“Defeased Debentures”** has the meaning ascribed thereto in Section 7.6(b);
- (gg) **“Depositary”** means, with respect to the Debentures, the person designated as Depositary by the Corporation pursuant to Section 2.5(a) until a successor Depositary shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Depositary” shall mean each person who is then a Depositary hereunder, and if at any time there is more than one such person, “Depositary” as used with respect to the Debentures, shall mean each Depositary with respect to the Global Debentures of such series and, in the case of the Debentures, the Depositary shall initially be CDS;
- (hh) **“Depositary Participant”** means a broker, dealer, bank, other financial institution or other person for whom from time to time, a Depositary effects book entries for a Global Debenture or Book Entry Debenture deposited with the Depositary;
- (ii) **“Depositary Registered Debenture”** means either a Book Entry Debenture or a Global Debenture.
- (jj) **“directors”** means the directors of the Corporation for the time being;
- (kk) **“Event of Default”** has the meaning ascribed thereto in Section 6.1;
- (ll) **“Fitch”** means Fitch Ratings, Inc. or any successor to the rating agency business thereof;
- (mm) **“Freely Tradeable”** means, in respect of shares of any class in the capital of any corporation, shares which can be traded by the holder thereof without any restriction under Applicable Securities Legislation, such as hold periods, restricted periods or seasoning periods, other than (i) in the case of a control distribution (as defined in National Instrument 45-102 – *Resale of Securities*), or a transaction or series of transactions incidental to a

control distribution, immediately following the Issuance Date, if applicable; and (ii) except for an initial hold period commencing on the Issuance Date and ending on the date that is four months and one day following the Issuance Date;

- (nn) **"Fully Registered Debentures"** means debentures registered as to both principal and interest;
- (oo) **"GAAP"** means Canadian generally accepted accounting principles as defined by the Accounting Standards Board of the Chartered Professional Accountants of Canada, as the same may be amended from time to time;
- (pp) **"Global Debenture"** means a debenture that is issued to and registered in the name of the Depository, or its nominee, pursuant to Section 2.5 for purposes of being held by or on behalf of the Depository as custodian for participants in the Depository's book-entry only registration system;
- (qq) **"Governmental Authority"** means (i) any federal, provincial, state, local, municipal, regional, territorial or other government, governmental or public department, branch, ministry or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory, or taxing authority or power of any nature; and (ii) any quasi-governmental body of competent jurisdiction and authority under applicable laws exercising any regulatory, expropriation or taxing authority under applicable laws;
- (rr) **"Indebtedness"** means any and all indebtedness of the Corporation (whether outstanding on the date of this Indenture or thereafter incurred) and including, for greater certainty and without limitation, any and all guarantees, mortgages, debentures, charges or other encumbrances or financings in respect of the personal or real property of the Corporation;
- (ss) **"Indenture"**, **"hereto"**, **"herein"**, **"hereby"**, **"hereunder"**, **"hereof"** and similar expressions refer to this Indenture and not to any particular Article, Section, Subsection, clause, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto, as the same may be amended, amended and restated or supplemented from time to time;
- (tt) **"Interest Obligation"** means the obligation of the Corporation to pay interest on the Debentures, as and when the same becomes due;
- (uu) **"Interest Payment Date"** means a date specified herein as the date on which an instalment of interest on the Debentures are due and payable;
- (vv) **"Internal Procedures"** means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register for the registration of the Debentures at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Trustee's internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Trustee;
- (ww) **"Investment Dealer"** means any one of the five largest Canadian investment dealers by capital as determined by the Canadian Investment Regulatory Organization or any successor thereto;
- (xx) **"Issuance Date"** has the meaning ascribed thereto in Section 2.2(a);

- (yy) **“Maturity Account”** means an account or accounts required to be established by the Corporation (and which shall be maintained by and subject to the control of the Trustee) for the Debentures pursuant to and in accordance with this Indenture;
- (zz) **“Maturity Date”** has the meaning ascribed thereto in Section 2.2(b);
- (aaa) **“Maturity Notice”** means a notice in the form attached as Schedule “B”;
- (bbb) **“Moody’s”** means Moody’s Investors Service, Inc. or any successor to the rating agency business thereof.
- (ccc) **“Officer’s Certificate”** means a certificate of the Corporation signed by any one Authorized Officer of the Corporation, in his or her capacity as an officer of the Corporation and not in his or her personal capacity;
- (ddd) **“Options”** means rights, options or warrants to subscribe for, purchase or otherwise acquire either Shares or Convertible Securities;
- (eee) **“Ordinary Resolution”** means a resolution passed by the favourable votes of the holders of not less than a majority in principal amount of the Debentures, present or represented by proxy at the meeting and voted upon on a poll on such resolution, or evidenced pursuant to an instrument in writing signed in one or more counterparts by the holders of the requisite amount of the Debentures;
- (fff) **“person”** includes an individual, corporation, company, partnership, joint venture, association, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof;
- (ggg) **“Rights Offering”** has the meaning ascribed thereto in Section 4.4(c);
- (hhh) **“Shares”** means common shares in the capital of the Corporation;
- (iii) **“Share Reorganization”** has the meaning ascribed thereto in Section 4.4(a);
- (jjj) **“Special Distribution”** has the meaning ascribed thereto in Section 4.4(d);
- (kkk) **“Subsidiary”** has the meaning ascribed thereto in the *Securities Act* (Alberta);
- (lll) **“Successor”** has the meaning ascribed thereto in Section 8.1;
- (mmm) **“Tax Act”** means the *Income Tax Act* (Canada) and the regulations thereunder;
- (nnn) **“Time of Expiry”** has the meaning ascribed thereto in Section 2.2(e);
- (ooo) **“Total Change of Control Redemption Price”** has the meaning ascribed thereto in Section 2.2(j)(i);
- (ppp) **“trading day”** means, with respect to the TSX or any other market for securities, any day on which such exchange or market is open for trading or quotation;
- (qqq) **“Trustee”** means Computershare Trust Company of Canada or its successor or successors or any other trustee subsequently appointed as trustee hereunder;
- (rrr) **“TSX”** means the Toronto Stock Exchange or its successor or successors;

- (sss) **“Uncertificated Debenture”** means: (i) any debenture which is not a Certificated Debenture; or (ii) one or more debentures in certificated form while retained by or surrendered to the Corporation, its transfer agent or the Trustee, for reasons other than registration of transfer, other temporary purpose, payment, exchange or acquisition by the Corporation; provided that the Trustee shall not be required to treat any such debenture as an Uncertificated Debenture unless such retention or surrender is known to an Authorized Officer; and
- (ttt) **“Written Direction of the Corporation”** means an instrument in writing signed by any one director or officer of the Corporation.

## 1.2 Meaning of “Outstanding”

Every Debenture certified and delivered by the Trustee hereunder shall be deemed to be outstanding until it is cancelled, converted or redeemed or delivered to the Trustee for cancellation, conversion or redemption or monies for the payment thereof shall have been set aside in accordance with this Indenture, provided that:

- (a) Debentures which have been partially redeemed, purchased or converted shall be deemed to be outstanding only to the extent of the unredeemed, unpurchased or unconverted part of the principal amount thereof;
- (b) when a new Debenture has been issued in substitution for a Debenture which has been lost, stolen or destroyed, only the new Debenture shall be counted for the purpose of determining the aggregate principal amount of Debentures outstanding; and
- (c) for the purposes of any provision of this Indenture entitling holders of outstanding Debentures to vote, sign consents, requisitions or other instruments or take any other action under this Indenture, or to constitute a quorum at any meeting of Debentureholders, Debentures owned directly or indirectly, legally or equitably, by the Corporation or any Subsidiary of the Corporation shall be disregarded except that:
  - (i) for the purpose of determining whether the Trustee shall be protected in acting and relying on any such vote, consent, requisition or other instrument or action, or on the Debentureholders present or represented at any meeting of Debentureholders, only the Debentures which the Trustee knows are so owned based solely on an Officer’s Certificate detailing the particulars and registrations of any Debentures owned directly or indirectly, legally or equitably by the Corporation or any Subsidiary of the Corporation shall be so disregarded;
  - (ii) Debentures so owned which have been pledged in good faith other than to the Corporation or a Subsidiary of the Corporation shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustee the pledgee’s right to vote such Debentures, sign consents, requisitions or other instruments or take such other actions in his discretion free from the control of the Corporation or a Subsidiary of the Corporation; and
  - (iii) Debentures so owned shall not be disregarded if they are the only Debentures outstanding.

## 1.3 Interpretation

In this Indenture:

- (a) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa;

- (b) all references to Articles and Schedules refer, unless otherwise specified, to articles of and schedules to this Indenture;
- (c) all references to Sections refer, unless otherwise specified, to sections, subsections or clauses of this Indenture;
- (d) words and terms denoting inclusiveness (such as “include”, “includes” or “including”), whether or not so stated, are not limited by and do not imply limitation of their context or the words or phrases which precede or succeed them;
- (e) references to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time;
- (f) unless otherwise indicated, references to a statute shall be deemed to be references to such statute and the regulations and any rules, policies or directions promulgated thereunder, in each case, as amended, re-enacted or replaced from time to time;
- (g) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated by including the day on which the period commences and excluding the day on which the period ends; and
- (h) references to “this Indenture”, “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions refer to this Indenture and not to any particular Article, Section or other subdivision and include all Schedules and amendments hereto, modifications or restatements hereof.

#### **1.4 Headings, Etc.**

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Debentures.

#### **1.5 Time of Essence**

Time shall be of the essence of this Indenture.

#### **1.6 Day not a Business Day**

In the event that any day on or before which any action required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

#### **1.7 Applicable Law**

This Indenture, any supplemental indenture and the Debentures shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall be treated in all respects as Alberta contracts.

#### **1.8 Jurisdiction**

Subject to the provisions of any supplemental indenture, the Corporation agrees, and the Trustee agrees for itself and each Debentureholder, that any legal action or proceeding with respect to this Indenture or any supplemental indenture shall be brought by the Trustee or such Debentureholder (to the extent permitted hereunder) in the courts of the Province of Alberta, and such courts shall have exclusive jurisdiction to deal with all matters relating to the interpretation of, or enforcement of rights under, this Indenture.

## **1.9 Monetary References**

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of Canada unless otherwise expressed. All payments to be made under this Indenture or a supplemental indenture shall be made in Canadian dollars.

## **1.10 Invalidity, Etc.**

Any provision hereof which is prohibited or unenforceable shall be invalid only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof.

## **1.11 Language**

Each of the parties hereto hereby acknowledges that it has consented to and requested that this Indenture and all documents relating thereto, including, without limiting the generality of the foregoing, the form of Certificated Debenture attached hereto as Schedule "A", be drawn up in the English language only. *Les parties aux présentes ont exigé que la présente convention ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en langue anglaise.*

## **1.12 Successors and Assigns**

All covenants and agreements in this Indenture and the Debentures by the Corporation shall bind its successors and assigns, whether so expressed or not. All covenants and agreements of the Trustee in this Indenture shall bind its successors.

## **1.13 Benefits of Indenture**

Nothing in this Indenture or in the Debentures, express or implied, shall give to any person, other than the parties hereto and their successors hereunder, any paying agent and the Debentureholders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

## **1.14 Accounting Terms**

Except as hereinafter provided or as otherwise indicated in this Indenture, all calculations required or permitted to be made hereunder pursuant to the terms of this Indenture shall be made in accordance with GAAP. For greater certainty, GAAP shall include any accounting standards, including International Financial Reporting Standards that may from time to time be approved for general application by the Chartered Professional Accountants of Canada.

## **1.15 Calculations**

The Corporation shall be responsible for making all calculations called for hereunder including, without limitation, calculations of Current Market Price and calculations of currency conversions. The Corporation shall make such calculations in good faith exercising reasonable care, diligence and skill and, absent manifest error, the Corporation's calculations shall be final and binding on Debentureholders and the Trustee and the Trustee shall hold such calculations at its office to be available to Debentureholders upon their request. The Corporation will provide a schedule of its calculations to the Trustee and the Trustee shall be entitled to rely conclusively on the accuracy of such calculations without independent verification.

## **1.16 Schedules**

The following Schedules are incorporated into and form part of this Indenture:

Schedule "A" Form of Certificated Debenture  
Schedule "B" Form of Maturity Notice  
Schedule "C" Form of Notice of Conversion

In the event of any inconsistency between the provisions of this Indenture and the provisions of the Schedules which form a part hereof, the provisions of this Indenture shall prevail to the extent of the inconsistency.

## **ARTICLE 2 THE DEBENTURES**

### **2.1 Limit of Debentures**

The aggregate principal amount of Debentures authorized to be issued under this Indenture is limited to an aggregate principal amount of \$13,900,000, and may be issued only upon and subject to the conditions and limitations herein set forth.

### **2.2 Terms of Debentures**

The Debentures authorized for issue immediately shall be designated as “12.0% Unsecured Convertible Debentures”, and shall be subject to the following terms and conditions:

- (a) Date and Interest. The Debentures shall be dated as of the date on which the Debentures are issued by the Corporation pursuant to this Indenture (the “**Issuance Date**”) and shall bear interest from and including the date of issuance at the rate of 12.0% per annum, payable in equal semi-annual instalments in arrears on June 24, and December 24 in each year, the first such interest payment to fall due on June 24, 2026 (which shall represent interest from December 24, 2025 to, but excluding, June 24, 2026), which will be equal to \$60.00 for each \$1,000 principal amount of the Debentures, and the last such interest payment to fall due on December 24, 2028 (which shall represent interest from June 24, 2028 to December 24, 2028), which will be equal to \$60.00 for each \$1,000 principal amount of the Debentures, payable after as well as before maturity and after as well as before default, demand and judgment, with interest on amounts in default at the same rate, compounded semi-annually and calculated based on a 360-day year consisting of twelve 30-day months.
- (b) Maturity. The Debentures shall mature on December 24, 2028 (the “**Maturity Date**”).
- (c) Payment of Interest. Subject to applicable regulatory approval (including the approval of such stock exchange(s) on which the Shares are listed, if applicable), the Corporation shall satisfy its Interest Obligation on the Debentures on each Interest Payment Date (including, for greater certainty, following conversion or redemption or on the Maturity Date) by delivering cash for the Interest Obligation then due (equal to 12% per annum). If the Corporation shall make payment of interest directly to the Debentureholders, the Corporation shall within two Business Days of the Interest Payment Date after payment has been made, provide confirmation as required above by Officer’s Certificate and also confirm the payments made including details of such payments to the Debentureholders and to the Trustee.
- (d) Priority. The Debentures will be direct, unsecured obligations of the Corporation and rank equally in right of payment with all existing and future unsecured and unsubordinated Indebtedness of the Corporation.
- (e) Conversion. Upon and subject to the provisions and conditions of Article 4 and subject to applicable regulatory approval (including the approval of such stock exchange(s) on which the Shares are listed, if applicable), the holder of each Debenture shall have the right at such Debentureholder’s option, at any time and from time to time from the Issuance Date of such Debenture to 4:30 p.m. (Calgary time) on the earlier of the Business Day preceding the Maturity Date and the Business Day immediately preceding the date specified by the Corporation for redemption or conversion of the Debentures by notice to the Debentureholders in accordance with Section 2.2(j) (the earlier of which will be the “**Time**

**of Expiry**” for the purposes of Article 4), to convert the whole or, in the case of a Debenture of a denomination in excess of \$1,000, any part which is \$1,000 or an integral multiple thereof, of the principal amount of such Debenture into that number of Shares equal to the quotient of such principal amount divided by the Conversion Price. The Corporation shall confirm the Conversion Price and the number of Shares to be issued in respect of a conversion on the applicable Date of Conversion by way of Officer’s Certificate.

- (f) Conversion Price. The Conversion Price in effect on the date hereof for each Share to be issued upon the conversion of Debentures shall be equal to \$2.00 per Share. The Conversion Price applicable to the Shares, securities or other property receivable on the conversion of the Debentures is subject to adjustment pursuant to the provisions of Section 4.4.
- (g) Payment of Principal Amount. On redemption or on maturity of the Debentures, the Corporation shall satisfy its obligation to pay the principal amount of the Debentures which are to be redeemed or which have matured in cash.
- (h) Form of Debentures. The Debentures shall be issued in denominations of \$1,000 and integral multiples of \$1,000 and the Trustee is hereby appointed as registrar and transfer agent for the Debentures. The Debentures may be issued as either Certificated Debentures or Uncertificated Debentures, including Book Entry Debentures.

Each Certificated Debenture and the certificate of the Trustee endorsed thereon shall be issued in substantially the form set out in Schedule “A”, with such insertions, omissions, substitutions or other variations as shall be required or permitted by this Indenture, and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any applicable law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority or to conform with general usage, all as may be determined by the directors or officers of the Corporation executing such Debenture in accordance with Section 2.6, as conclusively evidenced by their execution of a Debenture. Each Debenture shall additionally bear such distinguishing letters and numbers as the Trustee shall approve. Notwithstanding the foregoing, a Debenture may be in such other form or forms as may, from time to time, be approved by a Board Resolution or as specified in an Officer’s Certificate. The Debentures may be engraved, lithographed, printed, mimeographed or typewritten or partly in one form and partly in another, including non-certificated electronic form.

Book Entry Debentures will be evidenced by one or more Uncertificated Debentures registered in the name of the Depositary.

No Beneficial Owner of Uncertificated Debentures or Global Debentures shall receive definitive certificates representing its interest in Debentures except as provided in Section 2.3(f) or 3.2.

- (i) Private Placement Legends. The Debentures have not been and will not be (i) qualified for issuance under Applicable Securities Legislation or (ii) registered under the United States *Securities Act of 1933*, as amended, applicable United States state securities laws, or regulations adopted under any of the foregoing. Each certificate or electronic deposit representing the Debentures (and the Shares issuable under the Debentures if issued before the date that is four months and one day after the Issuance Date) and any replacement certificate issued prior to the expiration of the applicable hold period or ownership statements issued under a direct registration system or other electronic book-entry system shall bear, as of the Issuance Date, a legend substantially in the following form:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE <INSERT DATE THAT IS FOUR (4) MONTHS AND ONE (1) DAY AFTER THE ISSUANCE DATE>.”

In addition, each certificate representing the Shares issuable under the Debentures and any replacement certificate, or ownership statements issued under a direct registration or other electronic book-entry system, shall bear any legend required by the TSX or otherwise required under Applicable Securities Legislation.

The Trustee shall be entitled to request any other documents that it may require in accordance with its internal policies for any legend removal that may be required.

- (j) Corporation Redemption Right upon a Change of Control. Concurrently with or immediately prior to the consummation of a Change of Control and subject to the provisions and conditions of this Section 2.2(j), the Debentures may be redeemed in accordance with the terms and conditions of this Section 2.2(j). The terms and conditions of such right are set forth below:
- (i) Upon or concurrently with completion or immediately prior to the consummation of a Change of Control, the Corporation may (the “**Change of Control Redemption Right**”) redeem, on the date which is not later than 30 days following the date upon which the Trustee delivers a Change of Control Notice (as defined below) to the holders of all Debentures (the “**Change of Control Redemption Date**”), all (and not less than all) of such holders’ Debentures in cash at a price equal to the principal amount of the Debentures then outstanding (the “**Change of Control Redemption Price**”) plus, in each case, accrued and unpaid interest, if any, on such Debentures up to, but excluding, the Change of Control Redemption Date (collectively, the “**Total Change of Control Redemption Price**”).
  - (ii) The Corporation will, as soon as practicable, and in any event no later than five Business Days after the completion of a Change of Control, give written notice to the Trustee of the Change of Control (“**Change of Control Notice**”). The Trustee will, as soon as practicable thereafter, and in any event no later than two Business Days after receiving the Change of Control Notice, provide the same to the Debentureholders. The Change of Control Notice shall include a statement that there has been a Change of Control and the following: (A) the date on which such Change of Control occurred, (B) the circumstances or events giving rise to such Change of Control, (C) a statement that the Corporation is exercising the Change of Control Redemption Right, and (D) the Change of Control Redemption Date and the Total Change of Control Redemption Price.
  - (iii) The Corporation shall, on or before 11:00 a.m. (Calgary time) on the Business Day immediately prior to the Change of Control Redemption Date, deposit with the Trustee or any paying agent to the order of the Trustee, such sums of money as may be sufficient to pay the Total Change of Control Redemption Price of the Debentures to be redeemed by the Corporation on the Change of Control Redemption Date. The Corporation shall satisfy this requirement by providing the Trustee or paying agent with a wire transfer for such amounts required under this Section 2.2(j)(iii). To the extent requested by the Trustee, the Corporation shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be reasonably incurred by the Trustee in connection with such redemption. Every such deposit shall be irrevocable. From the sums so deposited, the Trustee shall pay or cause to be paid to the holders of such Debentures, the Total Change of Control Redemption Price to which they are entitled on the Corporation’s redemption. The Trustee shall not be responsible for calculating the amount owing but shall be entitled to rely on the Written Direction of the Corporation specifying the payments to be made.

- (iv) Debentures which the Corporation has elected to redeem in accordance with the Change of Control Redemption Right shall become due and payable at the Total Change of Control Redemption Price on the Change of Control Redemption Date, in the same manner and with the same effect as if it were the date of maturity specified in such Debentures, anything therein or herein to the contrary notwithstanding, and from and after such Change of Control Redemption Date, if the money necessary to redeem the Debentures shall have been deposited as provided in this Section 2.2(j) and affidavits or other proofs satisfactory to the Trustee as to the mailing of such notices shall have been lodged with it, interest on the Debentures shall cease. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties.
- (v) In case the holder of any Debenture to be redeemed in accordance with this Section 2.2(j) shall fail on or before the Change of Control Redemption Date to surrender such holder's Debenture or shall not within such time accept payment of the monies payable, or give such receipt therefor, if any, as the Trustee may require, such monies or Shares payable pursuant to Section 2.2(c) may be set aside in trust without interest, either in the deposit department of the Trustee or in a chartered bank (which may, but need not be, an Affiliate of the Trustee) or, with respect to Shares, held in a book position by the Trustee, or as otherwise agreed by the Corporation and Trustee, and such setting aside shall for all purposes be deemed a payment to the holder of such Debenture of the sum so set aside and, to that extent, the Debenture shall thereafter not be considered as outstanding hereunder and the holder of such Debenture shall have no other right except to receive payment out of the monies so paid and deposited upon surrender and delivery of such holder's Debentures, of the Total Change of Control Redemption Price applicable to such Debenture. In the event that any monies or Shares required to be deposited hereunder with the Trustee or any depository or paying agent on account of principal, premium, if any, or interest, if any, on Debentures issued hereunder shall remain so deposited for a period of six years from the Change of Control Redemption Date, then, subject to any applicable law regarding unclaimed property, such monies or Shares shall at the end of such period, upon the written request of the Corporation, be paid over or delivered over by the Trustee or such depository or paying agent to the Corporation, and thereupon the Trustee shall not be responsible to Debentureholders for any amounts owing to them, shall be released from all further liability with respect to such monies or Shares, and, subject to applicable law, thereafter the holder of such Debenture in respect of which such monies or Shares was so repaid to the Corporation shall have no rights in respect thereof except to obtain payment of the monies due from the Corporation, subject to any limitation period provided by the laws of Alberta.
- (vi) All Debentures redeemed and paid under this Section 2.2(j) shall forthwith be delivered to the Trustee and cancelled and no Debentures shall be issued in substitution therefor.
- (vii) The Corporation will comply with all Applicable Securities Legislation pursuant to this Section 2.2(j).
- (k) The Trustee shall be provided with the documents and instruments referred to in Sections 2.4(a), 2.4(b) and 2.4(c) with respect to the Debentures prior to the issuance of the Debentures.

### **2.3 Book Entry Debentures**

- (a) The Debentures may be issued as one or more Book Entry Debenture(s), each in the name of the Depository maintaining book entry records with respect to the Beneficial Owners of

such Book Entry Debentures, and the deposit of which may be confirmed electronically by the Trustee to a particular Depository Participant with the Depository.

- (b) The Book Entry Debentures shall be Uncertificated Debentures, and accordingly Beneficial Owners of such Book Entry Debentures registered and deposited with the Depository shall not receive a certificate representing the Book Entry Debentures and shall not be considered owners or holders thereof under this Indenture. Beneficial interests in Book Entry Debentures registered and deposited with the Depository will be represented only through the non-certificated inventory system administered by the Depository. Transfers of Book Entry Debentures registered and deposited with the Depository between Depository Accounts shall occur in accordance with the Internal Procedures and Applicable Securities Legislation.
- (c) When a Book Entry Debenture has been deposited with the Depository, the rights of the Beneficial Owners of such Book Entry Debenture with respect to the principal, interest or other amounts acquired, the time at which such amounts are acquired, the method of transfer and the ability and procedure to enforce payment will be as determined by the Internal Procedures and Applicable Securities Legislation.
- (d) Payments of interest and principal on any Debenture represented by a Book Entry Debenture will be made in accordance with the Internal Procedures.
- (e) Neither the Corporation nor the Trustee will be under any obligation to deliver, nor will the Beneficial Owner of a Book Entry Debenture have any right, other than as provided in Section 2.3(f), to require the delivery of a certificate evidencing the interest of such Beneficial Owner in such Book Entry Debenture (or any beneficial interest therein) shall be transferable for or exchangeable into a Certificated Debenture in the sole discretion of the Corporation.
- (f) The Corporation will deliver to the Trustee Certificated Debentures to be issued to the Beneficial Owners of any Book Entry Debentures if:
  - (i) the Corporation is required to do so by Applicable Securities Legislation;
  - (ii) the clearing agency service for such Beneficial Owners ceases to exist or is unavailable or is predicted to be unavailable for a reasonable period of time;
  - (iii) the Corporation determines that the Depository is no longer willing or able to discharge properly its responsibilities to such Beneficial Owners and the Corporation is unable to find a qualified successor;
  - (iv) the Corporation elects to terminate their involvement with the Depository for any reason (including, without limitation, in circumstances where the Corporation considers it impractical or inefficient to effect any distribution or holding of Debentures through the Depository or through the facilities of the Depository); or
  - (v) after the occurrence and during the continuance of an Event of Default, Debentureholders who hold more than 50% of the then outstanding principal amount of all Book Entry Debentures determine that continued use of the Depository is no longer in the interests of such Beneficial Owners and notify the Trustee and the Issuers in writing to such effect.
- (g) While any Debentures are represented by a Book Entry Debenture, the Corporation and the Trustee will deal with the Depository for all purposes, including the delivery of reports and information and the making of payments on such Debentures, as the sole holder of such Debentures and the authorized representative of the Beneficial Owners of the Debentures. In particular, the Trustee will give only to the Depository all notices, reports,

certificates, financial statements and other communications required to be provided to the holders of the debentures (provided that the Trustee will, while such reports and statements are current, maintain custody of the same).

- (h) Upon the occurrence of any of the events described in Section 2.3(f), relative to any Book Entry Debenture, the Trustee will notify all Beneficial Owners of such Book Entry Debenture, through the Depository's depository system, of the availability of Certificated Debentures. Upon receipt of instructions from the Depository for re-registration, the Corporation will deliver to the Trustee Certificated Debentures to be issued to the Beneficial Owners of such Book Entry Debenture, the Trustee will register such Debentures according to the instructions from the Depository for such re-registration and thereafter the Trustee and the Corporation will recognize the registered holders of such Certificated Debentures as the holders of such Debentures for all purposes of this Indenture. Payments of principal, interest, and other amounts with respect to such Debentures will thereafter be made directly to holders of Certificated Debentures in accordance with the procedures set out in this Indenture to holders in whose names the Certificated Debentures were registered. Any payment by cheque will be made by cheque mailed to the address of each such holder as it appears on the applicable register of Debentureholders. The final payment on any such Certificated Debenture, however, will be made only upon presentation and surrender of such Certificated Debenture at the office or agency specified in this Indenture.
- (i) None of Corporation or the Trustee will have any liability whatsoever for:
  - (i) any aspect of the records relating to or payments made on account of any Beneficial Owner of any Book Entry Debentures;
  - (ii) maintaining, supervising or reviewing any records relating to the beneficial ownership of any Book Entry Debentures; or
  - (iii) any advice or representation made or given by or with respect to a Depository and made or given herein with respect to the Internal Procedures or any action to be taken by a Depository or at the direction of a participant or beneficiary of a Depository.
- (j) Nothing herein or in any supplemental indenture will prevent the Beneficial Owners of a Book Entry Debentures from voting any Debentures using duly executed legal proxies or voting instruction forms, and the Corporation will take all such steps as are reasonably required to ensure that Beneficial Owners are provided with voting instruction forms or legal proxies, subject to and in accordance with the Internal Procedures and any Applicable Securities Legislation.

## **2.4 Certification and Delivery of Debentures**

The Corporation may from time to time request the Trustee to certify and deliver the Debentures by delivering to the Trustee the documents referred to below in this Section 2.3 whereupon the Trustee shall certify the Debentures and cause the same to be delivered in accordance with the Written Direction of the Corporation referred to below. In certifying the Debentures, the Trustee shall be entitled to receive and shall be fully protected in relying and acting upon:

- (a) a Written Direction of the Corporation requesting certification and delivery of the Debentures and setting forth delivery instructions;
- (b) an opinion of Counsel to the Corporation addressed to the Trustee, in form and substance satisfactory to the Trustee, acting reasonably, to the effect that all requirements imposed by this Indenture or by law in connection with the issue of the Debentures have been complied with, subject to the delivery of certain documents or instruments specified in such opinion; and

- (c) an Officer's Certificate certifying that the Corporation is not in default under this Indenture, that the terms and conditions for the certification and delivery of the Debentures (including those set forth in Section 12.4), have been complied with subject to the delivery of any documents or instruments specified in such Officer's Certificate and that no Event of Default exists or will exist upon such certification and delivery.

## **2.5 Issue of Global Debentures**

- (a) The Corporation may specify that the debentures of a series are to be issued in whole or in part as one or more Global Debentures registered in the name of a Depositary, or its nominee, designated by the Corporation in a Written Direction of the Corporation delivered to the Trustee at the time of issue of such debentures.
- (b) Each Depositary designated for a Global Debenture must, at the time of its designation and at all times while it serves as such Depositary, be a clearing agency registered or designated under the securities legislation of the jurisdiction where the Depositary has its principal offices.

## **2.6 Execution of Debentures**

- (a) All Certificated Debentures must be signed (either manually, by facsimile signature or otherwise mechanically reproduced) by any one director or Authorized Officer of the Corporation, holding office at the time of signing. A facsimile or otherwise mechanically reproduced signature upon a Certificated Debenture shall for all purposes of this Indenture deemed to be the signature of the person whose signature it purports to be. Notwithstanding that any person whose signature, either manual, facsimile or otherwise mechanically reproduced, appears on a Certificated Debenture as a director or Authorized Officer of the Corporation, may no longer hold such office at the date of the Certificated Debenture or at the date of the certification and delivery thereof, such Certificated Debenture shall be valid and binding upon the Corporation and the holders thereof entitled to the benefits of this Indenture.
- (b) At the time of the initial Authentication of an Uncertificated Debenture, it shall be deemed to be signed by one director or Authorized Officer of the Corporation holding office at the time of signing upon the execution by any such officer or director of a Written Direction of the Corporation to Authenticate the Uncertificated Debentures. Upon the entry of such Uncertificated Debentures on the records of the Trustee, then all Authenticated Uncertificated Debentures initially issued and issued in exchange therefore or in substitution thereof shall be valid and binding upon the Corporation and the holders thereof shall be entitled to the benefits of this Indenture.

## **2.7 Certification**

- (a) Only Debentures which shall have been Authenticated shall be enforceable against the Corporation and entitled to the benefits of this Indenture at any time or be valid or obligatory for any purpose.
- (b) Authentication by the Trustee of any Fully Registered Debentures executed by the Corporation shall be conclusive evidence that the holder is entitled to the benefits of this Indenture.
- (c) No Fully Registered Debenture shall be considered issued and Authenticated or, if Authenticated, shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it shall have been Authenticated by signature by or on behalf of the Trustee substantially in the form set out in this Indenture, in the relevant supplemental indenture, or in some other form approved by the Trustee. Such Authentication on any such Fully Registered Debenture shall be conclusive evidence that such Fully Registered Debenture

is duly Authenticated and is valid and binding obligation of the Corporation that the holder is entitled to the benefits of this Indenture. The Authentication by the Trustee on any such Fully Registered Debenture hereunder shall not be construed as a representation or warranty by the Trustee as to the validity of this Indenture or of such Debenture or its issuance (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Trustee shall in no respect be liable or answerable for the use made of the Debentures or any of them or the proceeds thereof. The certificate of the Trustee signed on the Debentures or interim Debentures shall, however, be a representation and warranty by the Trustee that the Debentures or interim Debentures have been duly certified by or on behalf of the Trustee pursuant to the provisions of this Indenture.

- (d) The Trustee shall Authenticate Uncertificated Debentures (whether upon original issuance, exchange, registration of transfer, partial payment, redemption or conversion or otherwise) by completing its Internal Procedures and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Debentures under this Indenture. Such Authentication shall be conclusive evidence that such Uncertificated Debenture has been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Debentures with respect to which this Indenture requires the Trustee to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error and such Uncertificated Debentures are binding on the Corporation.
- (e) No Uncertificated Debenture shall be considered issued, shall be obligatory or entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by entry on the records of the Trustee of the particulars of the Uncertificated Debenture. Such entry of the particulars of an Uncertificated Debenture shall be conclusive evidence that such Uncertificated Debenture is a valid and binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture. Authenticating by way of entry on the records of the Trustee shall not be construed as a representation or warranty by the Trustee as to the validity of this Indenture or of such Debentures or its Authentication (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Trustee shall in no respect be liable or answerable for the use made of the Uncertificated Debentures or any of them or the proceeds thereof.

## **2.8 Mutilation, Loss, Theft or Destruction**

In case any of the Debentures issued hereunder shall become mutilated or be lost, stolen or destroyed, the Corporation, in its discretion, may issue, and thereupon the Trustee shall certify and deliver, a new Debenture upon surrender and cancellation of the mutilated Debenture, or in the case of a lost, stolen or destroyed Debenture, in lieu of and in substitution for the same, and the substituted Debenture shall be in a form approved by the Trustee and shall be entitled to the benefits of this Indenture and rank equally in accordance with its terms with all other Debentures issued or to be issued hereunder. In case of loss, theft or destruction the applicant for a substituted Debenture shall furnish to the Corporation and to the Trustee such evidence of the loss, theft or destruction of the Debenture as shall be satisfactory to them in their discretion and shall also furnish an indemnity and surety bond satisfactory to them in their discretion along with any other documents that might be required by the Trustee. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted Debenture.

## **2.9 Concerning Interest**

- (a) All Debentures issued hereunder, whether originally or upon exchange or in substitution for previously issued Debentures which are interest bearing, shall bear interest (i) from and including their issue date, or (ii) from and including the last Interest Payment Date to which

interest shall have been paid or made available for payment on the outstanding Debentures, whichever shall be the later, to but excluding the next Interest Payment Date.

- (b) Interest for any period of less than six months shall be computed on the basis of a year of 360 days consisting of twelve 30-day months (the “**deemed year**”). Whenever interest is computed on the basis of the deemed year, interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

## **2.10 Payments of Amounts Due on Maturity**

Payments of amounts due upon maturity of the Debentures will be made in the following manner. The Corporation will establish and maintain with the Trustee a Maturity Account for the Debentures. Such Maturity Account shall be maintained by and be subject to the control of the Trustee for the purposes of this Indenture. On or before 11:00 a.m. (Calgary time) on the Business Day immediately prior to the Maturity Date, the Corporation will deliver to the Trustee funds for deposit in the applicable Maturity Account in an amount sufficient to pay the cash amount payable in respect of such Debentures pursuant to Section 2.2(c) (including the principal amount, together with any accrued and unpaid interest thereon). The Trustee, on behalf of the Corporation, will pay to each holder entitled to receive payment the principal amount of and premium (if any) and accrued and unpaid interest on the Debenture upon surrender of the Debenture at any branch of the Trustee designated for such purpose from time to time by the Corporation and the Trustee. The delivery of such funds to the Trustee for deposit or the making available of such amounts to the applicable Maturity Account as noted above will satisfy and discharge the liability of the Corporation for the Debentures to which the delivery of funds relates to the extent of the amount deposited or made available and such Debentures will thereafter to that extent not be considered as outstanding under this Indenture and such holder will have no other right in regard thereto other than to receive out of the money and Shares so deposited or made available the amount to which it is entitled.

## **2.11 Payment of Interest**

The following provisions shall apply to Debentures, except as otherwise provided in Section 2.2(a) or elsewhere in this Indenture or a supplemental indenture relating to the Debentures:

- (a) As interest becomes due on each Debenture (except on conversion, at maturity or on redemption, when interest may at the option of the Corporation be paid upon surrender of such Debenture) the Corporation, either directly (which shall be confirmed by the Corporation by Officer’s Certificate pursuant to Section 2.2(c)), or through the Trustee or any agent of the Trustee, shall send or forward a cheque by prepaid ordinary mail, wire, electronic transfer of funds or such other means as may be agreed to by the Trustee, in accordance with those wire or other payment instructions provided by the applicable Debentureholder to the Corporation and the Trustee in writing from time to time, and, if applicable, deliver the Shares, pursuant to Section 2.2(c), in payment of such interest to the order of the registered holder of such Debenture appearing on the registers maintained by the Trustee as at the close of business on the fifth Business Day prior to the applicable Interest Payment Date and addressed to the holder at the holder’s last address appearing on the register (or in the case of joint holders, to such address of one of the joint holders), unless such holder otherwise directs in writing to the Trustee in advance. If cash payment is made by cheque, such cheque shall be forwarded at least three days prior to the Interest Payment Date and if payment is made by other means, such as wire or electronic transfer of funds, such payment shall be made in a manner whereby the holder receives credit for such payment on the Interest Payment Date. If payment is made through the Trustee, at least on or before 11:00 am (Calgary time) one Business Day prior to each Interest Payment Date or prior to the date of mailing the cheques for the interest due on an Interest Payment Date, whichever is earlier, the Corporation shall deliver sufficient funds to the Trustee by wire transfer or make such other arrangements for the provision of funds as may be agreeable between the Trustee and the Corporation in order to effect such interest

payment hereunder. The Trustee shall disburse such interest payments only upon receiving, at least one Business Day prior to each such date, funds in an amount sufficient for the interest payment. The mailing of such cheque or the making of such payment by other means shall, to the extent of the sum represented thereby, satisfy and discharge all liability for interest on such Debenture, unless in the case of payment by cheque, such cheque is not paid at par on presentation. In the event of non-receipt of any cheque for or other payment of interest by the person to whom it is so sent as aforesaid, the Corporation will issue to such person a replacement cheque or other payment for a like amount upon being furnished with such evidence of non-receipt as it shall reasonably require and upon being indemnified to its satisfaction. Notwithstanding the foregoing, if the Corporation is prevented by circumstances beyond its control (including, without limitation, any interruption in mail service) from making payment of any interest due on each Debenture in the manner provided above, the Corporation may make payment of such interest or make such interest available for payment in any other manner acceptable to the Trustee with the same effect as though payment had been made in the manner provided above.

- (b) The Trustee shall have no obligation to disburse funds pursuant to this Section 2.11 unless it has received written confirmation satisfactory to it that the funds have been deposited with it in sufficient amount to pay in full all amounts due and payable with respect to such Interest Payment Date. The Trustee shall, if any funds are received by it in the form of uncertified cheques, be entitled to delay the time for release of such funds until such uncertified cheques shall be determined to have cleared the financial institution upon which the same are drawn.
- (c) Notwithstanding Sections 2.11(a) and 2.11(b), if the Debentures are represented, in whole or in part, by a Global Debenture, then all payments of interest on the Global Debenture shall be made by electronic funds transfer or cheque made payable to the Depository or its nominee for subsequent payment to Beneficial Owners of interests in that Global Debenture, unless the Corporation and the Depository otherwise agree. The Corporation shall pay such funds to the Trustee on or before 10:00 a.m. (Calgary time) on the Business Day immediately before the Interest Payment Date. None of the Corporation, the Trustee or any agent of the Trustee for any Debenture issued as a Global Debenture shall be liable or responsible to any person for any aspect of the records related to or payments made on account of beneficial interests in any Global Debenture or for maintaining, reviewing, or supervising any records relating to such beneficial interests.

## 2.12 Payment of Additional Amounts

- (a) If the Corporation is required to make a deduction or withholding on account of taxes, the amount payable to the Debentureholder or Beneficial Owner shall be grossed up to ensure that, after the deduction or withholding, the amount received by the Debentureholder or Beneficial Owner is the same as the amount that would have been paid if no deduction or withholding was required (“**Additional Amounts**”). If any such withholding or deduction is not so required, or if required, is not made, and a Debentureholder or Beneficial Owner who is a non-resident of Canada for purposes of the Tax Act is required to pay directly any such taxes, then, upon written request of such Debentureholder or Beneficial Owner and provided that reasonable supporting documentation is provided, the Corporation will pay such additional amounts (the term “**Additional Amounts**” shall also include any such additional amounts) as may be necessary so that the net amount received by each such Debentureholder or Beneficial Owner after payment of such taxes (including any taxes required to be paid in respect of such Additional Amounts) will not be less than the amount the Debentureholder or Beneficial Owner would have received if such taxes had not been imposed, levied, collected or assessed; provided that no Additional Amounts will be payable in respect of:
  - (i) taxes imposed on or measured by a Debentureholder or Beneficial Owner’s net income or capital or net profits and franchise or branch taxes imposed on it 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 is a resident in that jurisdiction or as a result of any other present or former connection with that jurisdiction;

- (ii) any taxes imposed under Part XVIII of the Tax Act; and
- (iii) 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 Tax Act with the Corporation,
  - (ii) being a "specified non-resident shareholder" of the Corporation (for purposes of subsection 18(5) of the Tax Act) 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 Tax Act with a "specified shareholder" of the Corporation at the time of payment or deemed payment, or
  - (iii) being a "specified entity" in respect of the Corporation (as defined in subsection 18.4(1) of the Tax Act).
- (b) If any such withholding or deduction is so required, the Corporation will (i) make such withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law. The Corporation will make reasonable efforts to obtain receipts evidencing the payment of any taxes so deducted or withheld from the relevant taxing authority and will furnish evidence of such payments to the Debentureholder or Beneficial Owner.
- (c) At least 15 days prior to each date on which any payment under or with respect to the Debentures is due and payable, if the Corporation will be obligated to pay Additional Amounts with respect to such payment, the Corporation advise the Trustee that such Additional Amounts will be payable and the amounts so payable and will provide such other information necessary to enable the paying agent to pay such Additional Amounts to the holders on the payment date. Whenever in this Indenture there is mentioned, in any context, the payment of amounts based upon the principal of, premium, if any, interest or any other amount payable under or with respect to any Debenture, such mention will be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.
- (d) The Corporation will pay any stamp, issue, registration, documentary, value added or other similar taxes and other duties (including interest and penalties) payable in Canada (or any political subdivision or taxing authority thereof), in respect of the creation, issue, offering, execution or enforcement of the Debentures, or any documentation with respect thereto.
- (e) Notwithstanding anything in this Indenture to the contrary, the covenants and provisions of this Section 2.12 shall survive any termination or discharge of this Indenture, and the repayment or conversion of all or any of the Debentures, and shall remain in full force and effect.
- (f) If the Corporation fails to make any payment required by this Section 2.12, the Trustee shall in no circumstances have any responsibility, duty, or be required, to make any such payment.
- (g) In accordance with this Indenture, the Corporation will be entitled to cause the Trustee to deduct and withhold any applicable taxes or similar charges (including interest, penalties or similar amounts in respect thereof) imposed or levied by or on behalf of any government including the Canadian government, or of any province or territory thereof, or any authority or agency therein or thereof, having power to tax, from any payment to be made on or in connection with the Debentures (including, for greater certainty, the issuance of Freely Tradeable Shares upon any conversion of Debentures), provided that the Corporation forthwith remits or causes the Trustee to remit such withheld amount to such government, authority or agency and files all required forms in respect thereof and, at the same time,

provides copies of such remittance and filing to the Trustee and the relevant holder of Debentures, the amount of any such deduction or withholding will be considered an amount paid in satisfaction of the Corporation's obligations under the Debentures. However, the Corporation shall satisfy all of its obligations pursuant to Section 2.12(a) to gross-up amounts paid to a holder in respect of such deductions or withholdings. The Trustee when acting as paying agent shall itself make such remittances, deductions and filings directly to the Governmental Authorities and shall act as the agent of the Corporation. The Corporation shall provide directions to the Trustee concerning its obligations to make such deductions, remittances and tax filings and the Trustee may rely on such directions and to be indemnified for such reliance.

- (h) The Trustee shall have no obligation to verify any payments or any provision of federal, provincial, state, local or foreign tax law. The Trustee shall at all times be indemnified and held harmless by the Corporation from and against any liabilities the Trustee incurred in connection with the failure of the Corporation or its agents, to report, remit or withhold taxes as required by any provision of federal, provincial, state, local or foreign tax law, or otherwise failing to comply with any provision of federal, provincial, state, local or foreign tax law. This indemnification shall survive the resignation or removal of any person acting as the Trustee and the termination of this Indenture solely to the extent that such liabilities have been incurred in connection with taxation years occurring during the term of this Indenture.

### **ARTICLE 3 REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP**

#### **3.1 Fully Registered Debentures**

- (a) With respect to any Debentures issuable as Fully Registered Debentures, the Corporation shall cause to be kept by and at the principal offices of the Trustee in Calgary, Alberta and by the Trustee or such other registrar as the Corporation, with the approval of the Trustee, may appoint at such other place or places, if any, as may be specified in such Debentures or as the Corporation may designate with the approval of the Trustee, a register in which shall be entered the names and last known addresses of the holders of Fully Registered Debentures and particulars of the Debentures held by them respectively and of all transfers of Fully Registered Debentures. Such registration shall be noted on the Debentures by the Trustee or other registrar unless a new Debenture shall be issued upon such transfer.
- (b) No transfer of a Fully Registered Debenture shall be valid unless made on such register referred to in Section 3.1(a) by the registered holder or such holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and execution satisfactory to the Trustee or other registrar upon surrender of the Debentures together with a duly executed form of transfer acceptable to the Trustee and upon compliance with such other reasonable requirements as the Trustee or other registrar may prescribe, nor unless the name of the transferee shall have been noted on the Debenture by the Trustee or other registrar.

#### **3.2 Depositary Registered Debentures**

- (a) With respect to any Debentures issuable in whole or in part as one or more Depositary Registered Debentures, the Corporation shall cause to be kept by and at the principal offices of the Trustee in Calgary, Alberta and by the Trustee or such other registrar as the Corporation, with the approval of the Trustee, may appoint at such other place or places, if any, as the Corporation may designate with the approval of the Trustee, a register in which shall be entered the name and address of the holder of each such Depositary Registered Debenture (being the Depositary, or its nominee, for such Depositary Registered Debenture) as holder thereof and particulars of the Depositary Registered Debenture held by it, and of all transfers thereof. If any Debentures are at any time not

Depository Registered Debentures, the provisions of Section 3.1 shall govern with respect to registrations and transfers of such Debentures.

- (b) Beneficial interests in the Depository Registered Debentures shall not be shown on the register or records maintained by the Trustee, but shall be represented through book-entry accounts of participants on behalf of the Beneficial Owners of such Depository Registered Debenture. None of the Corporation, the Trustee or any other paying agent shall have the responsibility or liability for any aspects of the records relating to or payments made by any Depository or any participant on account of the beneficial interest in any Depository Registered Debenture, including with respect to withholding taxes.
- (c) Notwithstanding any other provision of this Indenture, a Depository Registered Debenture may not be transferred by the registered holder thereof and accordingly, no definitive certificates shall be issued to Beneficial Owners of Depository Registered Debentures, except in the following circumstances or as otherwise specified in a resolution of the directors, an Officer's Certificate or supplemental indenture relating to a particular series of Additional Debentures:
  - (i) Depository Registered Debentures may be transferred by a Depository to a nominee of such Depository or by a nominee of a Depository to such Depository or to another nominee of such Depository or by a Depository or its nominee to a successor Depository or its nominee;
  - (ii) Depository Registered Debentures may be transferred at any time after (A) the Depository for such Depository Registered Debentures has notified the Trustee that the Depository is unwilling or unable to continue as Depository in connection with such Depository Registered Debentures, or (B) if at any time the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a Depository under Section 2.5(b) provided in each case that at the time of the transfer, the Corporation has not appointed a successor Depository for such Depository Registered Debentures;
  - (iii) Depository Registered Debentures may be transferred at any time after the Corporation has determined, in its sole discretion, to terminate the book-entry only registration system in respect of such Depository Registered Debentures and has communicated such determination to the Trustee in writing;
  - (iv) Depository Registered Debentures may be transferred at any time after the Trustee has determined that an Event of Default has occurred and is continuing with respect to the Debentures issued as Depository Registered Debentures, provided that Beneficial Owners of the Depository Registered Debentures representing, in the aggregate, not less than 25% of the aggregate principal amount of the Depository Registered Debentures advise the Depository in writing, through the Depository Participants, that the continuation of the book-entry only registration system for such series of Debentures is no longer in their best interest and also provided that at the time of such transfer the Trustee has not waived the Event of Default pursuant to Section 6.3;
  - (v) Depository Registered Debentures may be transferred if required by applicable laws; and
  - (vi) Depository Registered Debentures may be transferred if the book-entry only registration system ceases to exist.
- (d) With respect to the Depository Registered Debentures, unless and until definitive certificates have been issued to Beneficial Owners pursuant to Section 3.2(c):

- (i) the Corporation and the Trustee may deal with the Depository for all purposes (including paying interest on the Debentures) as the sole holder of such series of Debentures and the authorized representative of the Beneficial Owners;
  - (ii) the rights of the Beneficial Owners shall be exercised only through the Depository and shall be limited to those established by law and agreements between such Beneficial Owners and the Depository or the Depository Participants;
  - (iii) the Depository shall make book-entry transfers among the Depository Participants; and
  - (iv) whenever this Indenture requires or permits actions to be taken based upon instruction or directions of Debentureholders evidencing a specified percentage of the outstanding Debentures, the Depository shall be deemed to be counted in that percentage only to the extent that it has received instructions to such effect from the Beneficial Owners or the Depository Participant, and has delivered such instructions to the Trustee.
- (e) Whenever a notice or other communication is required to be provided to Beneficial Owners of Depository Registered Debentures, unless and until definitive certificate(s) have been issued to Beneficial Owners of Depository Registered Debentures pursuant to this Section 3.2, the Trustee shall provide all such notices and communications to the Depository and the Depository shall deliver such notices and communications to such Beneficial Owners in accordance with Applicable Securities Legislation. Upon the termination of the book-entry only registration system on the occurrence of one of the conditions specified in Section 3.2(c) with respect to Debentures, the Trustee shall notify all applicable Depository Participants and Beneficial Owners, through the Depository, of the availability of Certificated Debentures. Upon surrender by the Depository of the certificate(s) representing any Global Debentures and receipt of new registration instructions from the Depository, the Trustee shall deliver the Certificated Debentures for such Debentures to the holders thereof in accordance with the new registration instructions and thereafter, the registration and transfer of such Debentures shall be governed by Section 3.1 and the remaining Sections of this Article 3.

### **3.3 Transferee Entitled to Registration**

The transferee of a Debenture shall be entitled, after the appropriate form of transfer is lodged with the Trustee or other registrar and upon compliance with all other conditions in that behalf required by this Indenture or by law, to be entered on the register as the owner of such Debenture free from all equities or rights of set-off or counterclaim between the Corporation and the transferor or any previous holder of such Debenture, save in respect of equities of which the Corporation is required to take notice by statute or by order of a court of competent jurisdiction. Upon surrender for registration of transfer of Debentures, the Corporation shall issue and thereupon the Trustee shall certify and deliver a new Certificated Debenture or confirm the electronic deposit of Uncertificated Debentures of like tenor in the name of the designated transferee and register such transfer in accordance with Section 3.1. If less than all the Debentures evidenced by the Certificated Debenture(s) or Uncertificated Debentures so surrendered are transferred, the transferor shall be entitled to receive, in the same manner, a new Certificated Debenture or electronically deposited Uncertificated Debentures registered in his name evidencing the Debentures not transferred.

### **3.4 No Notice of Trusts**

Neither the Corporation nor the Trustee nor any registrar shall be bound to take notice of or see to the execution of any trust (other than that created by this Indenture) whether express, implied or constructive, in respect of any Debenture, and may transfer the same on the direction of the person registered as the holder thereof, whether named as trustee or otherwise, as though that person were the Beneficial Owner thereof.

### **3.5 Registers Open for Inspection**

The registers referred to in Section 3.1 shall, subject to applicable law, during regular business hours, be open for inspection by the Corporation, the Trustee or any Debentureholder. Every registrar, including the Trustee, shall from time to time when requested so to do by the Corporation or by the Trustee (if not the registrar), in writing, furnish the Corporation or the Trustee, as the case may be, with a list of names and addresses of holders of registered Debentures entered on the register kept by them and showing the principal amount and certificate numbers of the Debentures held by each such holder, provided the Trustee or other registrar shall be entitled to charge a reasonable fee to provide such a list.

### **3.6 Exchanges of Debentures**

- (a) Subject to Section 3.7, Debentures in any authorized form or denomination may be exchanged for Debentures in any other authorized form or denomination, of the same date of maturity, bearing the same interest rate and of the same aggregate principal amount as the Debentures so exchanged.
- (b) In respect of exchanges of Debentures permitted by Section 3.6(a), Debentures may be exchanged only at the principal offices of the Trustee in the City of Calgary, Alberta or at such other place or places, if any, as may be specified in the Debentures and at such other place or places as may from time to time be designated by the Corporation with the approval of the Trustee. Any Debentures tendered for exchange shall be surrendered to the Trustee. The Corporation shall execute and the Trustee shall certify all Debentures necessary to carry out exchanges as aforesaid. All Debentures surrendered for exchange shall be cancelled.
- (c) Debentures issued in exchange for Debentures which at the time of such issue have been selected or called for redemption at a later date shall be deemed to have been selected or called for redemption in the same manner and shall have noted thereon a statement to that effect.

### **3.7 Closing of Registers**

- (a) Neither the Corporation nor the Trustee nor any registrar shall be required to:
  - (i) make transfers or exchanges, or accept conversions, of any Debentures on any Interest Payment Date or during the four preceding Business Days;
  - (ii) make transfers or exchanges, or accept conversions, of any Debentures on the day of any selection by the Trustee of Debentures to be redeemed or during the four preceding Business Days; or
  - (iii) make transfers or exchanges, or accept conversions of any Debentures which have been selected or called for redemption unless upon due presentation thereof for redemption such Debentures are not redeemed.
- (b) Subject to any restriction herein provided, the Corporation with the approval of the Trustee may at any time close any register of Debentures, other than those kept at the principal office of the Trustee in Calgary, Alberta, and transfer the registration of any Debentures registered thereon to another register (which may be an existing register) and thereafter such Debentures shall be deemed to be registered on such other register. Notice of such transfer shall be given to the holders of such Debentures.

### **3.8 Charges for Registration, Transfer and Exchange**

For each Debenture exchanged, registered, transferred or discharged from registration, the Trustee or other registrar, except as otherwise herein provided, may make a reasonable charge for its services and

in addition may charge a reasonable sum for each new Debenture issued (such amounts to be agreed upon from time to time by the Trustee and the Corporation), and payment of such charges and reimbursement of the Trustee or other registrar for any stamp taxes or governmental or other charges required to be paid shall be made by the party requesting such exchange, registration, transfer or discharge from registration as a condition precedent thereto. Notwithstanding the foregoing provisions, no charge shall be made to a Debentureholder hereunder:

- (a) for any exchange, registration, transfer or discharge from registration of any Debenture applied for within a period of two months from the Issuance Date;
- (b) for any exchange of any Debenture resulting from a partial redemption;
- (c) for any exchange of a Global Debenture as contemplated in Section 3.2; or
- (d) for any exchange of any Debenture resulting from a partial conversion.

### **3.9 Ownership of Debentures**

- (a) Unless otherwise required by law, the person in whose name any registered Debenture is registered shall for all the purposes of this Indenture be and be deemed to be the owner thereof, and the Corporation and the Trustee will not be affected by any notice or knowledge to the contrary except as required by statute or by order of a court of competent jurisdiction, and payment of or on account of the principal of and premium, if any, on such Debenture and interest thereon shall be made to such registered holder.
- (b) The registered holder for the time being of any registered Debenture shall be entitled to the principal, premium, if any, and interest evidenced by such instruments, respectively, free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate holder thereof and all persons may act accordingly and the receipt of any such registered holder for any such principal, premium or interest shall be a good discharge to the Corporation and/or the Trustee for the same and neither the Corporation nor the Trustee shall be bound to inquire into the title of any such registered holder.
- (c) Beneficial Owners of Debentures:
  - (i) may not have Certificated Debentures registered in their name;
  - (ii) may not have physical certificates representing their interest in the Debentures;
  - (iii) may not be able to sell the Debentures to institutions required by law to hold certificates for securities they own; and
  - (iv) may be unable to pledge Debentures as security.
- (d) Where Debentures are registered in more than one name, the principal, premium, if any, and interest from time to time payable in respect thereof will be paid to the order of all such holders, and the receipt of any one of such holders therefor shall be a valid discharge, to the Trustee, any registrar and to the Corporation.
- (e) Subject to the Trustee's receipt of appropriate supporting documentation, in the case of the death of one or more joint holders of any Debenture the principal, premium, if any, and interest from time to time payable thereon may be paid to the order of the survivor or survivors of such registered holders and the receipt of any such survivor or survivors therefor shall be a valid discharge to the Trustee and any registrar and to the Corporation.

## **ARTICLE 4 CONVERSION OF DEBENTURES**

### **4.1 Applicability**

- (a) Subject to applicable regulatory approval (including the approval of such stock exchange(s) on which the Shares are listed, if applicable) and the expiry of the restricted period (as such term is defined under Applicable Securities Legislation), the Debentures issued hereunder (subject, however, to any applicable restriction on the conversion of Debentures contained in Sections 2.2(e) and/or 4.3(a)) will be convertible into Freely Tradeable Shares, at the Conversion Price (as may be adjusted as provide for herein), and on such date or dates and in accordance with such other provisions as shall have been determined at the time of issue of such Debentures and shall have been expressed in this Indenture, in such Debentures, or in an Officer's Certificate delivered in accordance with this Indenture.
- (b) Such right of conversion shall extend only to the maximum number of whole Shares into which the aggregate principal amount of the Debenture or Debentures surrendered for conversion at any one time by the holder thereof may be converted. Fractional interests in Shares shall be dealt with in the manner provided in Section 4.5.

### **4.2 Revival of Right to Convert**

If the redemption of any Debenture called for redemption by the Corporation is not made or the payment of the purchase price of any Debenture which has been tendered in acceptance of an offer by the Corporation to purchase Debentures for cancellation is not made, in the case of a redemption upon due surrender of such Debenture or in the case of a purchase on the date on which such purchase is required to be made, as the case may be, then the right to convert such Debentures shall revive and continue as if such Debenture had not been called for redemption or tendered in acceptance of the Corporation's offer, respectively.

### **4.3 Manner of Exercise of Right to Convert**

- (a) The Debentureholder desiring to convert such Debenture in whole or in part into Shares shall surrender such Debenture to the Trustee at its principal office in Calgary, Alberta, together with the conversion notice in the form attached hereto as Schedule "D" or any other written notice in a form satisfactory to the Trustee and the Corporation, in either case duly executed by the holder or its executors or administrators or other legal representatives or its or their attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Trustee, exercising its right to convert such Debenture in accordance with the provisions of this Article 4 provided that with respect to a Global Debenture, the obligation to surrender a Debenture to the Trustee shall be satisfied if the Trustee makes notation on the Global Debenture that is a Certificated Debenture or makes appropriate entries in its records with respect to a Global Debenture that is an Uncertificated Debenture of the principal amount thereof so converted and the Trustee is provided with all other documentation which it may reasonably request. Thereupon such Debentureholder or, subject to payment of all applicable stamp or security transfer taxes or other governmental charges and compliance with all reasonable requirements of the Trustee, its nominee(s) or assignee(s), shall be entitled to be entered in the books of the Corporation as at the Date of Conversion (or such later date as is specified Section 4.3(b) or, if stock exchange approval is required in respect of a conversion, as soon as practicable following the date such approval is obtained) as the holder of the number of Shares into which such Debenture is convertible in accordance with the provisions of this Article 4 and, as soon as practicable thereafter, the Corporation shall deliver or cause to be delivered to such Debentureholder or, subject as aforesaid, its nominee(s) or assignee(s), a certificate or other evidence of such Shares.

- (b) For the purposes of this Article, a Debenture shall be deemed to be surrendered for conversion on the date (herein called the “**Date of Conversion**”) on which it is so surrendered in accordance with the provisions of this Article 4 and, in the case of a Debenture so surrendered by post or other means of transmission, on the date on which it is received by the Trustee at its principal office in Calgary, Alberta, or, in the case of a Global Debenture, on the date on which the Trustee received notice of and all necessary documentation in respect of the exercise of the conversion rights and, in the case of a Debenture so surrendered by post or other means of transmission, on the date on which it is received in proper form by the Trustee at its office specified in Section 4.3(a); provided that if a Debenture is surrendered for conversion on a day on which the register of Shares is closed, the person or persons entitled to receive Shares shall become the holder or holders of record of such Shares as at the date on which such registers are next reopened.
- (c) Any part, being \$1,000 or an integral multiple thereof, of a Debenture in a denomination in excess of \$1,000 may be converted as provided in this Article and all references in this Indenture to conversion of Debentures shall be deemed to include conversion of such parts.
- (d) The holder of any Debenture of which only a part is converted shall, upon the exercise of his or her right of conversion, surrender such Debenture to the Trustee, and the Trustee shall cancel the same and shall without charge forthwith certify and deliver to the holder a new Debenture or Debentures in an aggregate principal amount equal to the unconverted part of the principal amount of the Debenture so surrendered or, with respect to a Global Debenture that is a Certificated Debenture, the Trustee shall make notations on the Global Debentures of the principal amount thereof so converted or with respect to a Global Debenture that is an Uncertificated Debenture, the Trustee must make appropriate entries in its records.
- (e) The Debentureholder surrendered for conversion in accordance with this Section 4.3 shall be entitled to receive accrued and unpaid interest in accordance with Section 2.2(c) in respect thereof up to but excluding the Date of Conversion of such Debenture and the Shares issued upon such conversion shall rank only in respect of distributions or dividends declared in favour of shareholders of record on and after the Date of Conversion or such later date as such holder shall become the holder of record of such Shares pursuant to Section 4.3, from which applicable date they will for all purposes be and be deemed to be issued and outstanding as fully paid, non-assessable Shares.

#### **4.4 Adjustment of Conversion Price**

The Conversion Price in effect at any date shall be subject to adjustment from time to time as set forth below.

- (a) If and whenever at any time after the date hereof the Corporation shall:
  - (i) issue Shares to all or substantially all of the holders of outstanding Shares as a stock dividend (excluding ordinary course dividends) or make a distribution on its outstanding Shares payable in Shares;
  - (ii) subdivide, redivide or change its outstanding Shares into a greater number of shares; or
  - (iii) consolidate, reduce or combine its outstanding Shares into a smaller number of shares;

(each of the events enumerated in the clauses (i), (ii) and (iii), above, being hereinafter referred to as a “**Share Reorganization**”), the Conversion Price shall be adjusted effective immediately after the record date or effective date, as the case may be, which is used to

determine the holders of outstanding Shares for the happening of a Share Reorganization, by multiplying the Conversion Price in effect immediately prior to such record date or effective date by a fraction, the numerator of which shall be the number of Shares outstanding on such record date or effective date before giving effect to such Share Reorganization, and the denominator of which shall be the number of Shares outstanding immediately after giving effect to such Share Reorganization.

- (b) If and whenever at any time after the date hereof there shall be a reclassification of the Shares at any time outstanding or a change of the outstanding Shares into other securities, (other than a Share Reorganization), or a consolidation, arrangement, amalgamation or merger of the Corporation with or into any other person (other than a consolidation, arrangement, amalgamation or merger which does not result in any reclassification of the outstanding Shares or a change of the Shares into other shares), or a transfer of all or substantially all of the assets of the Corporation to another person (any of such events being herein called a “**Capital Reorganization**”), the Debentureholder, upon any exercise of its conversion rights hereunder to acquire Shares after the effective date of such Capital Reorganization, shall be entitled to receive, and shall accept, upon such conversion, in lieu of the number of Shares to which the Debentureholder was theretofore entitled upon such conversion, the aggregate number of shares, other securities or other property which the Debentureholder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the Debentureholder had been the registered holder of the number of Shares that the Debentureholder was theretofore entitled to acquire upon such conversion. Subject to TSX review and consent, appropriate adjustments may be made following any such Capital Reorganization in the application of the provisions set forth herein, with respect to the rights and interest thereafter of the Debentureholder and the adjustments to the Conversion Price to the end that such provisions shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares, other securities or other property thereafter deliverable upon the conversion of the Debentures.
- (c) If and whenever at any time after the date hereof, the Corporation shall issue, or fix a record date for the issuance of, rights to the holders of all or substantially all of the Shares entitling them (for a period expiring within 45 days after such record date) to subscribe for or purchase Shares (or securities convertible into or exchangeable for Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the then applicable Current Market Price (each such event being herein referred to as a “**Rights Offering**”), the Conversion Price shall be adjusted effective as of such record date (or in the event that the Shares will commence trading on an ex-rights or similar basis prior to such record date, such adjustment shall be made effective as of such earlier time) so that it shall equal the amount determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Shares outstanding on such record date plus a number of Shares equal to the number arrived at by dividing the aggregate exercise price of the Rights so offered by the Current Market Price, and of which the denominator shall be the total number of Shares outstanding on such record date plus the total number of additional Shares into which the Rights so offered are exchangeable; any Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that no such Rights are exercised prior to the expiration thereof, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or, if any such Rights are exercised, to the Conversion Price which would then be in effect based upon the number of Shares (or securities convertible or exchangeable into Shares) actually issued upon the exercise of such Rights.
- (d) If and whenever at any time after the date hereof, the Corporation shall issue or distribute, or fix a record date for the issuance or distribution (a “**Special Distribution**”), to holders of all or substantially all of the holders of the Shares, of:

- (i) shares of the Corporation of any class (other than Shares);
- (ii) Options;
- (iii) evidences of indebtedness; or
- (iv) any other property or assets of the Corporation (including cash, other than cash dividends paid to holders of Shares in the ordinary course of business);

and such issuance or distribution does not constitute a Share Reorganization, Capital Reorganization or Rights Offering, the Conversion Price shall be adjusted effective immediately as of such record date (or in the event that the Shares will commence trading on an ex-distribution or similar basis prior to such record date, such adjustment shall be made effective as of such earlier time) to a price determined by multiplying the Conversion Price then in effect by a fraction:

- (v) the numerator of which shall be:
  - (A) the product obtained when the number of Shares outstanding on such record date is multiplied by the Current Market Price of the Shares on such record date; less
  - (B) the fair market value, as determined by the Corporation, acting reasonably, and subject to TSX review and consent, of the shares, Options, evidences of indebtedness, property or other assets distributed in the Special Distribution; and
- (vi) the denominator of which shall be the product obtained when the number of Shares outstanding on such record date is multiplied by the Current Market Price of the Shares on such record date.

To the extent that such Special Distribution is not so made, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed.

- (e) The Corporation shall not, by amendment of its articles or through any reorganization, transfer of assets, consolidation, merger, amalgamation, arrangement, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4.4(e) and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the Debentureholder against impairment, provided always that any adjustments to be made as a result of this Section 4.4(e) are subject to prior TSX review and approval.
- (f) The adjustments provided for in this Section 4.4 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section, provided that, notwithstanding any other provision of this Section, no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price then in effect; provided however, that any adjustments which by reason of this Section 4.4(f) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.
- (g) For the purpose of calculating the number of Shares outstanding, Shares owned by or for the benefit of the Corporation or any Subsidiary of the Corporation shall not be counted.

- (h) In the event of any question arising with respect to the adjustments provided in this Section 4.4, such question shall be conclusively determined by a firm of chartered accountants appointed by the Corporation (who may be the Auditors of the Corporation); such accountants shall have access to all necessary records of the Corporation and such determination shall be binding upon the Corporation, the Trustee, and the Debentureholders (subject to manifest error).
- (i) In case the Corporation shall take any action affecting the Shares other than action described in this Section 4.4, which in the opinion of the directors would materially adversely affect the rights of Debentureholders, the Conversion Price shall be adjusted in such manner and at such time as the directors in their sole discretion may determine to be equitable in the circumstances. Failure of the directors to make such an adjustment shall be conclusive evidence that the directors have determined that it is equitable to make no adjustment in the circumstances, subject to TSX review and consent.
- (j) Subject to the prior written consent of any stock exchange or market upon which the Shares are then listed, as the case may be, and if required, no adjustment in the Conversion Price shall be made in respect of any event described in Section 4.4(a), 4.4(b), 4.4(c) or 4.4(d) if the holders of the Debentures are entitled to participate in such event on the same terms *mutatis mutandis* as if they had converted their Debentures prior to the effective date or record date, as the case may be, of such event.
- (k) Except as stated above in this Section 4.4, no adjustment will be made in the Conversion Price for any Debentures as a result of the issuance of Shares at less than the Current Market Price for such Shares on the date of issuance.

#### **4.5 No Requirement to Issue Fractional Shares**

The Corporation shall not be required to issue fractional Shares upon the conversion of Debentures pursuant to this Article 4. If more than one Debenture shall be surrendered for conversion at one time by the same holder, the number of whole Shares issuable upon conversion thereof shall be computed on the basis of the aggregate principal amount of such Debentures to be converted. If any fractional interest in a Share would, except for the provisions of this Section 4.5, be deliverable upon the conversion of any principal amount of Debentures, the Corporation shall, in lieu of delivering any certificate representing such fractional interest, make a cash payment to the holder of such Debenture of an amount equal to the fractional interest which would have been issuable multiplied by the Current Market Price. Upon request by the Trustee, the Corporation shall provide, in writing to the Trustee, the price to be paid in respect of such fractional Shares.

#### **4.6 Corporation to Reserve Shares**

The Corporation covenants with the Trustee that it will at all times reserve and keep available out of its authorized Shares, solely for the purpose of issue upon conversion of Debentures as in this Article 4 provided and for purposes of paying interest pursuant to Section 2.2(c), and conditionally allot to Debentureholders who may exercise their conversion rights hereunder, such number of Shares as shall then be issuable upon the conversion of all outstanding Debentures. The Corporation covenants with the Trustee that all Shares which shall be so issuable shall be duly and validly issued and, subject to Section 4.1(a) and Section 2.2(c), Freely Tradeable.

#### **4.7 Cancellation of Converted Debentures**

Subject to the provisions of Section 4.3(b) as to Debentures converted in part, all Debentures converted in whole or in part under the provisions of this Article 4 shall be delivered in accordance with Section 4.3(a) to and cancelled by the Trustee and no Debenture shall be issued in substitution therefor.

#### **4.8 Certificate as to Adjustment**

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 4.4, deliver an Officer's Certificate to the Trustee specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate and the amount of the adjustment specified therein shall be verified by an opinion of a firm of nationally recognized chartered accountants appointed by the Corporation and acceptable to the Trustee (who may be the Auditors of the Corporation) and shall be conclusive and binding on all parties in interest (subject to manifest error). When so approved, the Corporation shall forthwith give notice to the Debentureholders in the manner provided in Section 11.2 specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Conversion Price; provided that, if the Corporation has given notice otherwise than under this Section 4.8 covering all the relevant facts in respect of such event, no such notice need be given under this Section 4.8.

#### **4.9 Notice of Special Matters**

The Corporation covenants with the Trustee that so long as any Debenture remains outstanding, it will give notice to the Trustee and to the Debentureholders in the manner provided in Section 11.2 and Section 11.3, respectively, of its intention to fix a record date for any event referred to in Section 4.4(a), 4.4(b), 4.4(c), or 4.4(d) which may give rise to an adjustment in the Conversion Price, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than fourteen (14) days, in each case, prior to such applicable record date.

#### **4.10 Protection of Trustee**

The Trustee:

- (a) shall be entitled to rely on the adjustment calculation of the Corporation, the directors and/or the Corporation's Auditors delivered pursuant to Section 4.8;
- (b) shall not at any time be under any duty or responsibility to any Debentureholder to determine whether any facts exist which may require any adjustment in the Conversion Price, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;
- (c) shall not be accountable with respect to the validity or value (or the kind or amount) of any Shares or of any shares or other securities or property which may at any time be issued or delivered upon the conversion of any Debenture; and
- (d) shall not be responsible for any failure of the Corporation to make any cash payment or to issue, transfer or deliver Shares or other securities certificates upon the surrender of any Debenture for the purpose of conversion, or to comply with any of the covenants contained in this Article 4.

### **ARTICLE 5 COVENANTS OF THE CORPORATION**

The Corporation hereby covenants and agrees with the Trustee for the benefit of the Trustee and the Debentureholders, that so long as any Debentures remain outstanding:

## **5.1 General Covenants**

The Corporation will duly and punctually pay or cause to be paid to every Debentureholder the principal of, premium, if any, and interest accrued on the Debentures of which it is the holder on the dates, at the places and in the manner mentioned herein and in the Debentures and will duly and punctually perform and carry out all of the other acts or things to be done by it, all as provided herein or in the Debentures.

## **5.2 To Pay Trustee's Remuneration**

The Corporation will pay the Trustee amounts in accordance with Section 12.4 herein, and such monies shall be payable out of any funds coming into the possession of the Trustee in priority to payment of any principal of the Debentures or interest thereon.

## **5.3 To Give Notice of Default**

The Corporation shall notify the Trustee in writing immediately upon obtaining knowledge of an Event of Default hereunder.

## **5.4 Preservation of Existence, Etc.**

Subject to the express provisions hereof, the Corporation will carry on and conduct its activities, and cause its Subsidiaries to carry on and conduct their businesses, in a proper, efficient and business-like manner and in accordance with prudent business practices and, subject to the express provisions hereof, it will do or cause to be done all things necessary to preserve and maintain the existence of the Corporation and its Subsidiaries.

## **5.5 Keeping of Books**

The Corporation will keep or cause to be kept proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Corporation in accordance with generally accepted accounting principles.

## **5.6 Annual Certificate of Compliance**

The Corporation shall deliver to the Trustee, within 90 days after the end of each calendar year, (and at any reasonable time upon demand by the Trustee) an Officer's Certificate as to the knowledge of such officers of the Corporation who execute the Officer's Certificate of the Corporation's compliance with all conditions and covenants in this Indenture certifying that after reasonable investigation and inquiry, the Corporation has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which could, with the giving of notice, lapse of time or otherwise, constitute an Event of Default hereunder, or if such is not the case, setting forth with reasonable particulars the circumstances of any failure to comply and steps taken or proposed to be taken to eliminate such circumstances and remedy such Event of Default, as the case may be.

## **5.7 Performance of Covenants by Trustee**

If the Corporation shall fail to perform any of its covenants contained in this Indenture and such failure has not been cured or rectified within the time permitted by this Indenture, the Trustee may notify the Debentureholders of such failure on the part of the Corporation or may itself perform any of the covenants capable of being performed by it, but shall be under no obligation to do so or to notify the Debentureholders. All sums so expended or advanced by the Trustee shall be repayable as provided in Section 5.2. No such performance, expenditure or advance by the Trustee shall be deemed to relieve the Corporation of any default hereunder.

## 5.8 Maintenance of Listing

- (a) The Corporation will use reasonable commercial efforts to maintain the listing and posting for trading of the Shares on the TSX; provided that, for greater certainty, the foregoing covenant shall not prevent or restrict the Corporation from carrying out a transaction to which Article 9 would apply if carried out in compliance with Article 9 even if as a result of such transaction the Shares cease to be listed on a stock exchange or market.
- (b) The Corporation will use reasonable commercial efforts to maintain its status as a “reporting issuer”, or the equivalent thereof, not in default of Applicable Securities Legislation; provided that, for greater certainty, the foregoing covenant shall not prevent or restrict the Corporation from carrying out a transaction to which Article 9 would apply if carried out in compliance with Article 9 even if as a result of such transaction the Corporation no longer maintains its status as a “reporting issuer”, or the equivalent thereof.

## ARTICLE 6 DEFAULT

### 6.1 Events of Default

- (a) Each of the following events constitutes, and is herein sometimes referred to as, an “**Event of Default**”:
  - (i) failure for 30 days to pay interest on the Debentures when due;
  - (ii) failure to pay principal or premium, if any, on the Debentures when due whether at maturity, upon redemption, by declaration, acceleration or otherwise;
  - (iii) default in the observance or performance of any covenant or condition of this Indenture by the Corporation (other than those referred to in (i) or (ii) above) which remains unremedied for a period of 30 days after notice in writing has been given by the Trustee or from Debentureholders who collectively hold not less than 66 2/3% of the principal amount of Debentures then outstanding, to the Corporation specifying such default and requiring the Corporation to remedy such default;
  - (iv) default in the delivery, when due, of any Common Shares or other consideration, payable on conversion of the Debentures, which default continues for 15 days;
  - (v) if a decree or order of a court having jurisdiction is entered adjudging the Corporation a bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws of Canada or any province thereof, or issuing sequestration or process of execution against, or against any substantial part of, the property of the Corporation, or appointing a receiver of, or of any substantial part of, the property of the Corporation or ordering the winding-up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of 60 days or any substantial part of the property of the Corporation shall be sequestered or attached and shall not be returned to the possession of the Corporation or released from such attachment, as the case may be, whether by filing of a bond or stay or otherwise within 30 days thereafter;
  - (vi) if the Corporation institutes proceedings to be adjudicated a bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada) for such bankruptcy or insolvency or any other bankruptcy, insolvency or analogous laws of Canada or any province thereof, or consents to the filing of any such petition or to the

appointment of a receiver, or liquidator or trustee or assignee in bankruptcy or insolvency for it, or of any substantial part of the property of the Corporation or makes a general assignment for the benefit of creditors, or is unable to or admits in writing its inability to pay its debts generally as they become due;

- (vii) if a resolution is passed for the winding-up or liquidation of the Corporation except in the course of carrying out or pursuant to a transaction in respect of which the conditions of Section 8.1 are duly observed and performed; or
- (viii) if, after the date of this Indenture, any proceedings with respect to the Corporation are taken with respect to a compromise or arrangement, with respect to creditors of the Corporation generally, under the applicable legislation of any jurisdiction.

- (b) In each and every such Event of Default the Trustee may, in its discretion, and shall, upon receipt of a request in writing by Debentureholders who collectively hold not less than 66 2/3% of the principal amount of Debentures then outstanding, subject to the provisions of Section 6.2, by notice in writing to the Corporation declare the principal of, and premium, if any, and accrued interest on all Debentures then outstanding and all other monies outstanding hereunder to be due and payable and the same shall forthwith become immediately due and payable to the Trustee, and the Corporation shall forthwith pay to the Trustee for the benefit of the Debentureholders such principal of, and premium, if any, accrued and unpaid interest and interest on amounts in default on such Debenture and all other monies outstanding hereunder, together with subsequent interest at the rate borne by the Debentures on such principal, interest and such other monies from the date of such declaration until payment is received by the Trustee, such subsequent interest to be payable at the times and places and in the monies mentioned in and according to the tenor of the Debentures. Such payment when made shall be deemed to have been made in discharge of the Corporation's obligations hereunder and any monies so received by the Trustee shall be applied in the manner provided in Section 6.7.

## **6.2 Notice of Events of Default**

- (a) If an Event of Default shall occur and be continuing the Trustee shall, within 30 days after it receives written notice of the occurrence of such Event of Default, give notice of such Event of Default to the Debentureholders in the manner provided in Section 11.2, provided that notwithstanding the foregoing, the Trustee shall not be required to give such notice if the Trustee reasonably and in good faith shall have determined on the advice of Counsel that the withholding of such notice is in the best interests of the Debentureholders and shall have so advised the Corporation in writing.
- (b) Where notice of the occurrence of an Event of Default has been given and the Event of Default is thereafter cured, notice that the Event of Default is no longer continuing shall be given by the Trustee to the Debentureholders within 15 days after the Trustee becomes aware the Event of Default has been cured.

## **6.3 Waiver of Event of Default**

- (a) Upon the happening of any Event of Default hereunder:
  - (i) the Debentureholders shall have the power by requisition in writing by the holders of not less than a majority in principal amount of Debentures then outstanding or by Ordinary Resolution of Debentureholders at a meeting held in accordance with Article 10, to instruct the Trustee to waive any Event of Default, except a default in the payment of the principal of, or premium, if any, or interest on any Debentures, or in respect of a covenant or provision hereof that under this Indenture cannot be modified or amended without the consent of the holder of each outstanding

Debenture affected, and the Trustee shall thereupon waive the Event of Default, upon such terms and conditions as shall be prescribed in such requisition; and

- (ii) the Trustee, so long as it has not become bound to declare the principal and interest on the Debentures then outstanding to be due and payable, or to obtain or enforce payment of the same, shall have power to waive any Event of Default if, in the Trustee's opinion, the same shall have been cured or adequate satisfaction made therefor, and in such event to cancel any such declaration theretofore made by the Trustee in the exercise of its discretion, upon such terms and conditions as the Trustee may deem advisable.
- (b) No such act or omission by either of the Trustee or of the Debentureholders shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

#### **6.4 Waiver of Declaration**

At any time after a declaration of acceleration with respect to the Debentures has been made pursuant to Section 6.1 and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter provided, the holders of a majority in principal amount of outstanding Debentures, by written notice to the Corporation and the Trustee or by Ordinary Resolution of Debentureholders at a meeting held in accordance with Article 10 hereof, may thereupon rescind and annul such declaration and its consequences if the Corporation has paid or deposited with the Trustee a sum sufficient to pay:

- (a) all overdue interest on all Debentures;
- (b) the principal of (and premium, if any, on) any of the Debentures which have become due otherwise than by such declaration of acceleration, and interest thereon at the rate or rates prescribed therefor in such Debentures; and
- (c) to the extent that payment of such interest is lawful and applicable, interest upon overdue instalments of interest at the rate or rates prescribed therefor in such Debentures; and

all Events of Default with respect to the Debentures, other than the non-payment of the principal of (and premium, if any, on), and interest on, such Debentures, which have become due solely by such declaration of acceleration, have been cured or waived in accordance with the provisions of this Indenture.

#### **6.5 Enforcement by the Trustee**

- (a) Subject to the provisions of Section 6.3 and to the provisions of any resolution that may be passed by the Debentureholders, if the Corporation shall fail to pay to the Trustee, forthwith after the same shall have been declared to be due and payable under Section 6.1, the principal of and premium (if any) and interest on all Debentures then outstanding, together with any other amounts due hereunder, the Trustee may in its discretion, and shall, upon receipt of a request in writing by Debentureholder(s) who collectively hold not less than 66 2/3% of the principal amount of Debentures then outstanding, and upon being funded and indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, proceed in its name as trustee hereunder to obtain or enforce payment of such principal of and premium (if any) and interest on all the Debentures then outstanding together with any other amounts due hereunder by such proceedings authorized by this Indenture or by law or equity as the Trustee in such request shall have been directed to take, or if such request contains no such direction, or if the Trustee shall act without such request, then by such proceedings authorized by this Indenture or by suit at law or in equity as the Trustee shall deem expedient.

- (b) The Trustee shall be entitled and empowered, either in its own name or as trustee of an express trust, or as attorney-in-fact for the Debentureholders, or in any one or more of such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Trustee and of the Debentureholders allowed in any insolvency, bankruptcy, liquidation or other judicial proceedings relative to the Corporation or its creditors or relative to or affecting the Corporation's property. The Trustee is hereby irrevocably appointed (and the successive respective Debentureholders by taking and holding the same shall be conclusively deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the respective Debentureholders with authority to make and file in the respective names of the Debentureholders or on behalf of the Debentureholders as a class, subject to deduction from any such claims of the amounts of any claims filed by any of the Debentureholders themselves, any proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings and to receive payment of any sums becoming distributable on account thereof, and to execute any such other papers and documents and to do and perform any and all such acts and things for and on behalf of such Debentureholders, as may be necessary or advisable in the opinion of the Trustee, in order to have the respective claims of the Trustee and of the Debentureholders against the Corporation or its property allowed in any such proceeding, and to receive payment of or on account of such claims; *provided*, however, that subject to Section 6.3, nothing contained in this Indenture shall be deemed to give to the Trustee, unless so authorized by Ordinary Resolution, any right to accept or consent on behalf of any Debentureholder to any plan of reorganization, arrangement, adjustment or otherwise by action of any character in such proceeding to waive or change in any way any right of any Debentureholder or to vote in respect of the claim of any Debentureholder in any such proceeding.
- (c) The Trustee shall also have the power at any time and from time to time to institute and to maintain such suits and proceedings as it may be advised shall be necessary or advisable to preserve and protect its interests and the interests of the Debentureholders.
- (d) All rights of action hereunder may be enforced by the Trustee without the possession of any of the Debentures or the production thereof on the trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in the name of the Trustee as trustee of an express trust, and any recovery of judgment shall be for the rateable benefit of the Debentureholders subject to the provisions of this Indenture. In any proceeding brought by the Trustee (and also any proceeding in which a declaratory judgment of a court may be sought as to the interpretation or construction of any provision of this Indenture, to which the Trustee shall be a party) the Trustee shall be held to represent all the Debentureholders, and it shall not be necessary to make any Debentureholders parties to any such proceeding.

## **6.6 No Suits by Debentureholders**

No Debentureholder shall have any right to institute any action, suit or proceeding at law or in equity for the purpose of enforcing payment of the principal of, premium (if any) or interest on the Debentures or for the execution of any trust or power hereunder or for the appointment of a liquidator or receiver or for a receiving order under the *Bankruptcy and Insolvency Act* (Canada) or to have the Corporation wound up or to file or prove a claim in any liquidation or bankruptcy proceeding or for any other remedy hereunder, unless: (a) such Debentureholder shall previously have given to the Trustee written notice of the happening (or continuance) of an Event of Default hereunder; and (b) the Debentureholders by written instrument signed by Debentureholders who collectively hold not less than 66 2/3% of the principal amount of Debentures then outstanding, shall have made a request to the Trustee and the Trustee shall have been afforded reasonable opportunity either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its name for such purpose; and (c) the Debentureholders or any of them shall have furnished to the Trustee, when so requested by the Trustee, sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby;

and (d) the Trustee shall have failed to act within 30 days after such notification, request, funding and offer of indemnity and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to any such proceeding or for any other remedy hereunder by or on behalf of the holder of any Debentures; and (e) during such 30 day period, the holders of a majority in principal amount of Debentures do not give the Trustee a written direction inconsistent with the request, including a waiver pursuant to Section 6.4.

## **6.7 Application of Monies by Trustee**

- (a) Except as herein otherwise expressly provided, any monies received by the Trustee from the Corporation pursuant to the foregoing provisions of this Article 6, or as a result of legal or other proceedings or from any trustee in bankruptcy or liquidator of the Corporation, shall be applied, together with any other monies in the hands of the Trustee available for such purpose, as follows:
- (i) first, in payment or in reimbursement to the Trustee of its compensation, costs, charges, expenses, borrowings, advances or other monies furnished or provided by or at the instance of the Trustee in or about the execution of its trusts under, or otherwise in relation to, this Indenture, with interest thereon as herein provided;
  - (ii) second, but subject as hereinafter in this Section 6.7 provided, in payment, rateably and proportionately to the Debentureholders, of the principal of and premium (if any) and accrued and unpaid interest and interest on amounts in default on the Debentures which shall then be outstanding in the priority of principal first and then premium and then accrued and unpaid interest and interest on amounts in default unless otherwise directed by Ordinary Resolution and in that case in such order or priority as between principal, premium (if any) and interest as may be directed by such resolution; and
  - (iii) third, in payment of the surplus, if any, of such monies to the Corporation or its assigns or as it may direct;

provided, however, that no payment shall be made pursuant to clause (ii) above in respect of the principal, premium or interest on any Debenture held, directly or indirectly, by or for the benefit of the Corporation or any Subsidiary (other than any Debenture pledged for value and in good faith to a person other than the Corporation or any Subsidiary but only to the extent of such person's interest therein) except subject to the prior payment in full of the principal, premium (if any) and interest (if any) on all Debentures which are not so held.

- (b) The Trustee shall not be bound to apply or make any partial or interim payment of any monies coming into its hands if the amount so received by it, after reserving thereout such amount as the Trustee may think necessary to provide for the payments mentioned in Section 6.7(a)(i), is insufficient to make a distribution of at least 2% of the aggregate principal amount of the outstanding Debentures, but it may retain the money so received by it and invest or deposit the same as provided in Section 12.8 until the money or the investments representing the same, with the income derived therefrom, together with any other monies for the time being under its control shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth. The foregoing shall, however, not apply to a final payment or distribution hereunder.

## **6.8 Notice of Payment by Trustee**

Not less than 15 days' notice shall be given in the manner provided in Section 11.2 by the Trustee to the Debentureholders of any payment to be made under this Article 6. Such notice shall state the time and place at which such payment is to be made and also the liability under this Indenture to which it is to be applied. After the day so fixed, unless payment shall have been duly demanded and have been refused, the Debentureholders will be entitled to interest only on the balance (if any) of the principal monies, premium

(if any) and interest due (if any) to them, respectively, on the Debentures, after deduction of the respective amounts payable in respect thereof on the day so fixed.

#### **6.9 Trustee May Demand Production of Debentures**

The Trustee shall have the right to demand production of the Debentures in respect of which any payment of principal, interest or premium required by this Article 6 is made and may cause to be endorsed on the same, a memorandum of the amount so paid and the date of payment, but the Trustee may, in its discretion, dispense with such production and endorsement, upon such indemnity being given to it and to the Corporation as the Trustee shall deem sufficient.

#### **6.10 Remedies Cumulative**

No remedy herein conferred upon or reserved to the Trustee, or upon or to the Debentureholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute.

#### **6.11 Judgment Against the Corporation**

The Corporation covenants and agrees with the Trustee that, in case of any judicial or other proceedings to enforce the rights of the Debentureholders, judgment may be rendered against it in favour of the Debentureholders or in favour of the Trustee, as trustee for the Debentureholders, for any amount which may remain due in respect of the Debentures and premium, if any, and the interest thereon and any other monies owing hereunder.

#### **6.12 Control by Holders**

- (a) The holders of at least a majority in principal amount of the outstanding Debentures, may direct the time, method and place (in Alberta) of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on it with respect to the Debentures; and take any other action authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of Debentures under any provisions of this Indenture or under all applicable laws.
- (b) The Trustee may refuse to follow any direction that conflicts with law, this Indenture or any Ordinary Resolution.

#### **6.13 Rights of Holders to Receive Payment**

Notwithstanding any other provision of this Indenture, the right of any Debentureholder to receive payment of principal of, and premium (if any) and interest on, the Debentures held by such holder, on or after the respective due dates expressed in the Debentures, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of the holder.

#### **6.14 Delay or Omission Not Waiver**

No delay or omission of the Trustee or of any Debentureholder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Debentureholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Debentureholders, as the case may be.

## **6.15 Immunity of Directors, Officers and Others**

The Debentureholders and the Trustee hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future director, officer or holder of Shares or of any successor, in each case in such capacity, for the payment of the principal of or premium or interest on any of the Debentures or on any covenant, agreement, representation or warranty by the Corporation herein contained or in the Debentures.

## **ARTICLE 7 SATISFACTION AND DISCHARGE**

### **7.1 Cancellation and Destruction**

All Debentures shall forthwith after payment of all obligations thereunder be delivered to the Trustee and cancelled by it. All Debentures cancelled or required to be cancelled under this or any other provision of this Indenture shall be cancelled by the Trustee and, if requested in writing by the Corporation, the Trustee shall furnish to it a destruction certificate setting out the designating numbers of the Debentures so cancelled.

### **7.2 Non-Presentation of Debentures**

In case the holder of any Debenture shall fail to present the same for payment on the date on which the principal thereof and, premium (if any) becomes payable either at maturity or otherwise or shall not accept payment on account thereof and give such receipt therefor, if any, as the Trustee may require:

- (a) the Corporation shall be entitled to pay or deliver to the Trustee and direct it to set aside; or
- (b) in respect of monies in the hands of the Trustee which may or should be applied to the payment of the Debentures, the Corporation shall be entitled to direct the Trustee to set aside; or
- (c) if the redemption was pursuant to notice given by the Trustee, the Trustee may itself set aside;

subject always to the provisions of Section 7.3, the principal and premium (if any) or interest, as the case may be, in trust, without interest thereon from the date on which such principal, premium (if any) or interest became payable, either in the deposit department of the Trustee or in a chartered bank (which may, but need not be, an Affiliate of the Trustee), to be paid to the holder of such Debenture upon due presentation or surrender thereof in accordance with the provisions of this Indenture; and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the sum so set aside and, to that extent, the Debenture shall thereafter not be considered as outstanding hereunder and the Debentureholder shall have no other right except to receive payment out of the monies so paid and set aside upon surrender and delivery of such holder's Debenture, of the principal, premium (if any), or interest payable in respect of such Debenture in respect of such Debenture, and in the event that the Trustee receives the same, it shall hold the same in trust for the benefit of such holder.

### **7.3 Repayment of Unclaimed Monies**

In the event that any money required to be set aside under Section 7.2 shall remain so set aside for a period of six years from the Maturity Date, then such monies, shall, subject to any applicable law regarding unclaimed property, at the end of such period, upon the written request of the Corporation, be paid over by the Trustee to the Corporation, and thereupon the Trustee shall not be responsible to Debentureholders for any amounts owing to them, shall be released from all further liability with respect to such monies and, subject to applicable law, thereafter the Debentureholder in respect of which such money was so repaid to the Corporation shall have no rights in respect thereof except to obtain payment of the money due from the Corporation, subject to any limitation period provided by the laws of Alberta.

## 7.4 Satisfaction and Discharge

The Trustee shall, at the written request of the Corporation, release and discharge this Indenture and execute and deliver such instruments as it shall be advised by Counsel are required for that purpose and to release the Corporation from its covenants herein contained (other than the provisions relating to the indemnification of the Trustee), upon proof being given to the reasonable satisfaction of the Trustee that the principal and premium (if any) of and interest (including interest on amounts in default, if any), on all the Debentures and all other monies payable hereunder have been paid or satisfied or that all the Debentures having matured or having been duly called for redemption, payment of the principal of and interest (including interest on amounts in default, if any) on such Debentures and of all other monies payable hereunder has been duly and effectually provided for in accordance with the provisions hereof.

## 7.5 Defeasance

- (a) The Corporation shall be deemed to have fully paid, satisfied and discharged all of the outstanding Debentures and the Trustee, at the expense of the Corporation, shall execute and deliver proper instruments acknowledging the full payment, satisfaction and discharge of such Debentures, when, with respect to all of the outstanding Debentures, either:
- (i) the Corporation has deposited or caused to be deposited with the Trustee as trust funds or property in trust for the purpose of making payment on such Debentures, an amount in money, sufficient to pay, satisfy and discharge the entire amount of principal, premium (if any), and accrued and unpaid interest to maturity or any repayment date, as the case may be, of all such Debentures; or
  - (ii) the Corporation has deposited or caused to be deposited with the Trustee as trust property in trust for the purpose of making payment on such Debentures such amount in Canadian dollars of direct obligations of, or obligations the principal and interest of which are guaranteed by, the Government of Canada as will, together with the income to accrue thereon and reinvestment thereof, be sufficient in the opinion of a nationally recognized investment bank, appraisal firm, or firm of independent public accountants, to pay, satisfy and discharge the entire amount of principal, premium (if any) and accrued and unpaid interest to maturity or any repayment date, as the case may be, of all such Debentures;

and in either event:

- (iii) the Corporation has paid, caused to be paid or made provisions to the satisfaction of the Trustee for the payment of all other sums payable with respect to all of such Debentures (together with all applicable expenses of the Trustee in connection with the payment of such Debentures); and
- (iv) the Corporation has delivered to the Trustee an Officer's Certificate stating that all conditions precedent herein provided relating to the payment, satisfaction and discharge of all such Debentures have been complied with.

Any deposits with the Trustee referred to in this Section 7.5 shall be irrevocable, subject to Section 7.6, and shall be made under the terms of an escrow and/or trust agreement in form and substance satisfactory to the Trustee and which provides for the due and punctual payment of the principal of, and interest and premium, if any, on the Debentures being satisfied.

- (b) Upon the satisfaction of the conditions set forth in this Section 7.5 with respect to all the outstanding Debentures, the terms and conditions of the Debentures, including the terms and conditions with respect thereto set forth in this Indenture (other than those contained in Article 2, Article 4 and Sections 6.5 and 12.4 and the provisions of Article 1 pertaining to the foregoing provisions and this Section 7.5) shall no longer be binding upon or applicable to the Corporation.

- (c) Any funds or obligations deposited with the Trustee pursuant to this Section 7.5 shall be denominated in the currency or denomination of the Debentures in respect of which such deposit is made.
- (d) If the Trustee is unable to apply any money or securities in accordance with this Section 7.5 by reason of any legal proceeding or any order or judgment of any court or Governmental Authority enjoining, restraining or otherwise prohibiting such application, the Corporation's obligations under this Indenture and the Debentures shall be revived and reinstated as though no money had been deposited pursuant to this Section 7.5 until such time as the Trustee is permitted to apply all such money or securities in accordance with this Section 7.5, provided that if the Corporation has made any payment in respect of principal, premium or interest on Debentures or, as applicable, other amounts because of the reinstatement of its obligations, the Corporation shall be subrogated to the rights of the holders of such Debentures to receive such payment from the money or securities held by the Trustee.

## **7.6 Continuance of Rights, Duties and Obligations and Release of Trust Funds**

- (a) Where trust funds or trust property have been deposited pursuant to Section 7.5, the Debentureholders and the Corporation shall continue to have and be subject to their respective rights, duties and obligations under Article 2 and Article 4, as may be applicable.
- (b) In the event that, after the deposit of trust funds or trust property pursuant to Section 7.5 in respect of Debentures (the "**Defeased Debentures**"), any holder of any of the Defeased Debentures from time to time converts its Debentures to Shares or other securities of the Corporation in accordance with Section 2.2(e), Article 4 or any other provision of this Indenture, the Trustee shall upon receipt of a Written Direction of the Corporation return to the Corporation from time to time the proportionate amount of the trust funds or other trust property deposited with the Trustee pursuant to Section 7.5 in respect of the Defeased Debentures which is applicable to the Defeased Debentures so converted (which amount shall be based on the applicable principal amount of the Defeased Debentures being converted in relation to the aggregate outstanding principal amount of all the Defeased Debentures).
- (c) In the event that, after the deposit of trust funds or trust property pursuant to Section 7.5, the Corporation is required to provide a Change of Control Notice pursuant to Section 2.2(j) in relation to Debentures, the Corporation shall be entitled to use any trust money or trust property deposited with the Trustee pursuant to Section 7.5 for the purpose of paying to any holders of Defeased Debentures who have tendered for purchase pursuant to the Change of Control Redemption Right, the Change of Control Redemption Price, respectively, payable to such holders in respect of the Change of Control Notice. Upon receipt of a Written Direction of the Corporation, the Trustee shall be entitled to pay to such holder from such trust money or trust property deposited with the Trustee pursuant to Section 7.5 in respect of the Defeased Debentures which is applicable to the Defeased Debentures held by such holders who have tendered for purchase pursuant to the Change of Control Redemption Right in respect of Debentures (which amount shall be based on the applicable principal amount of the Defeased Debentures held by tendering Debentureholders in relation to the aggregate outstanding principal amount of all the Defeased Debentures).

## **ARTICLE 8 SUCCESSORS**

### **8.1 Restrictions on Amalgamation, Merger and Sale of Certain Assets, Etc.**

The Corporation shall not, without the consent of the Debentureholders by Ordinary Resolution, enter into any transaction or series of transactions whereby all or substantially all of its undertaking, property or assets would become the property of any other person (other than the Corporation's direct or indirect

wholly-owned Subsidiaries) (herein called a “**Successor**”) whether by way of reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale, lease or otherwise, unless:

- (a) prior to or contemporaneously with the consummation of such transaction, the Corporation and the Successor shall have executed such instruments and done such things as, in the opinion of Counsel, are necessary or advisable to establish that upon the consummation of such transaction:
  - (i) the Successor will have assumed all the covenants and obligations of the Corporation under this Indenture in respect of the Debentures;
  - (ii) the Debentures will be valid and binding obligations of the Successor entitling the holders thereof, as against the Successor, to all the rights of Debentureholders under this Indenture; and
  - (iii) in the case of a Successor organized otherwise than under the laws of the Province of Alberta, such Successor shall attorn to the jurisdiction of the courts of the Province of Alberta;
- (b) such transaction, in the opinion of Counsel, shall be on such terms as to substantially preserve and not impair any of the rights and powers of the Trustee or of the Debentureholders hereunder; and
- (c) no condition or event shall exist as to the Corporation (at the time of such transaction) or the Successor (immediately after such transaction) which constitutes or would, with the giving of notice or the lapse of time or both, constitute an Event of Default hereunder.

For greater certainty, the transfer, sale or lease (in a single transaction or a series of transactions) of the properties or assets of one or more of the Corporation’s Subsidiaries (other than to the Corporation or another direct or indirect wholly-owned Subsidiary of the Corporation) which, if such properties or assets were directly owned by the Corporation, would constitute all or substantially all of the Corporation’s properties or assets on a consolidated basis, will be deemed to be a transfer, sale or lease of all or substantially all of the Corporation’s properties or assets.

## **8.2 Vesting of Powers in Successor**

Whenever the conditions of Section 8.1 shall have been duly observed and performed, upon the Trustee and the Successor duly executing and delivering a supplemental indenture in form and substance satisfactory to Counsel: (a) the Successor shall possess and from time to time may exercise each and every right and power of the Corporation under this Indenture in the name of the Corporation or otherwise and any act or proceeding by any provision of this Indenture required to be done or performed by any directors or officers of the Corporation may be done and performed with like force and effect by the directors, trustees or officers of such Successor; and (b) the Corporation shall be released and discharged from liability under this Indenture and the Trustee may execute any documents which it may be advised are necessary or advisable for effecting or evidencing such release and discharge.

## **ARTICLE 9 AMENDMENTS, SUPPLEMENTS AND WAIVERS**

### **9.1 Ordinary Consent**

Except as provided in Section 9.2, by Ordinary Resolution:

- (a) the Corporation and the Trustee may amend, supplement or otherwise modify this Indenture or the Debentures;

- (b) any acceleration of the Debentures may be rescinded;
- (c) any existing default or Event of Default and its consequences may be waived; and
- (d) compliance with any provision of this Indenture or the Debentures may be waived,

provided that neither this Indenture nor the Debentures may be amended, supplemented, or otherwise modified and the observance of any term hereunder or thereunder may not be waived with respect to any Debentureholder or its Debentures without the written consent of such Debentureholder if such amendment, supplement, modification, or waiver would adversely affect the rights of such Debentureholder pursuant to this Indenture or its Debentures in a manner disproportionate to any adverse effect such amendment, supplement, modification, or waiver would have on the rights of the other Debentureholders under this Indenture or their Debentures.

## **9.2 Without Consent**

Notwithstanding Section 9.1, without the consent of any holder, the Corporation and the Trustee may from time to time amend or supplement this Indenture or the Debentures to:

- (a) to cure any ambiguity, omission, defect or inconsistency;
- (b) to provide for Uncertificated Debentures in addition to or in place of Certificated Debentures;
- (c) to provide for the assumption of the Corporation's obligations to holders in the case of a merger, amalgamation or consolidation or sale of all or substantially all of the Corporation's property and assets in accordance with, and subject to compliance with, Section 8.1;
- (d) to make any change that would provide any additional rights or benefits to the holders or that does not adversely affect the legal rights under this Indenture of any such holder based on the opinion of Counsel;
- (e) to comply with requirements of applicable law relating to trust indentures;
- (f) to add a guarantor of the Corporation's obligations under this Indenture and the Debentures; or
- (g) to evidence or provide for the acceptance of the appointment of a successor trustee; provided that the successor trustee is otherwise qualified and eligible to act as such under the terms of this Indenture.

## **9.3 Form of Consent**

It is not necessary for the consent of the Debentureholders under Sections 9.1 and 9.2 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

## **9.4 Supplemental Indentures**

- (a) From time to time the Trustee and, when authorized by a Board Resolution, the Corporation, may, and they shall when required by this Indenture, execute, acknowledge and deliver by their proper officers deeds or indentures supplemental hereto for any one or more of the following purposes:

- (i) adding to the covenants of the Corporation herein contained for the protection of the Debentureholders, or providing for events of default, in addition to those herein specified;
  - (ii) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Debentures which do not affect the substance thereof and which in the opinion of the Trustee relying on an opinion of Counsel will not be prejudicial to the interests of the Debentureholders;
  - (iii) evidencing the succession, or successive successions, of others to the Corporation and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture;
  - (iv) giving effect to any resolution passed as provided in Article 9 or Article 10; and
  - (v) for any other purpose not inconsistent with the terms of this Indenture.
- (b) Unless the supplemental indenture requires the consent or concurrence of Debentureholders such consent or concurrence shall not be required in connection with the execution, acknowledgement or delivery of a supplemental indenture.
  - (c) Upon the execution of any supplemental indenture by the Corporation and the Trustee, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every holder of Debentures theretofore or thereafter certified and delivered hereunder shall be bound thereby.

## **9.5 Regulatory Approvals**

Notwithstanding anything to the contrary in this Indenture, if any Debentures or Shares are listed and posted for trading on any exchange or market place, and only for so long as such Debentures or Shares remain listed, no indentures supplemental hereto or amendment to the terms of this Indenture may be made without the consent of such exchange or market, where the rules of such exchange or market require such consent.

## **ARTICLE 10 MEETINGS OF DEBENTUREHOLDERS**

### **10.1 Right to Convene Meeting**

The Trustee or the Corporation may at any time and from time to time, and the Trustee shall, on receipt of a written request of the Corporation or a written request signed by Debentureholders who collectively hold not less than 66 2/3% of the principal amount of Debentures then outstanding, and upon receiving funding and being indemnified to its reasonable satisfaction by the Corporation or by the Debentureholders signing such request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Debentureholders. In the event of the Trustee failing, within 30 days after receipt of any such request and such funding of indemnity, to give notice convening a meeting, the Corporation or such Debentureholders, as the case may be, may convene such meeting. Every such meeting shall be held in Calgary, Alberta or at such other place as may be determined by the Corporation and approved by the Trustee. Any meeting held pursuant to this Article 10 may be done through a virtual or electronic meeting platform, subject to the Trustee's capabilities at the time, and provided that such platform permits all participants to communicate with each other during the meeting.

### **10.2 Notice of Meetings**

At least 21 days' notice of any meeting shall be given to the Debentureholders in the manner provided in Section 11.2 and a copy of such notice shall be sent to the Trustee, unless the meeting has

been called by it, and to the Corporation, unless the meeting has been called by it. Such notice shall state the time when and the place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat and it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 10. The accidental omission to give notice of a meeting to any Debentureholder shall not invalidate any resolution passed at any such meeting. A holder may waive notice of a meeting either before or after the meeting.

### **10.3 Chair**

Some person, who need not be a Debentureholder, nominated in writing by the Corporation (in case it convenes the meeting) or the Trustee (in any other case) shall be chair of the meeting and if no person is so nominated, or if the person so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, a majority of the Debentureholders present in person or by proxy shall choose some individual present to be chair.

### **10.4 Quorum**

At any meeting of the Debentureholders a quorum shall consist of Debentureholders present in person or by proxy and representing at least 25% in principal amount of the outstanding Debentures. If a quorum of the Debentureholders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Debentureholders or pursuant to a request of the Debentureholders, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place, to the extent possible, and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting, the Debentureholders present in person or by proxy shall constitute a quorum and may transact the business for which the meeting was originally convened. Any business may be brought before or dealt with at an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless the required quorum is present at the commencement of business.

### **10.5 Power to Adjourn**

The chair of any meeting at which a quorum of the Debentureholders is present may, with the consent of the holders of a majority of the principal amount of the outstanding Debentures represented thereat, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

### **10.6 Poll**

A poll will be taken on every question submitted for approval at a meeting of Debentureholders, in such manner, and either at once or after an adjournment, as the chair shall direct.

### **10.7 Voting**

On a poll each Debentureholder present in person or represented by a proxy duly appointed by an instrument in writing shall be entitled to one vote in respect of each \$1,000 principal amount of Debentures of which he shall then be the holder. A proxy need not be a Debentureholder. In the case of joint holders of a Debenture, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others but in case more than one of them is present in person or by proxy, they shall vote together in respect of the Debentures of which they are joint holders.

### **10.8 Proxies**

A Debentureholder may be present and vote at any meeting of Debentureholders by an authorized representative. The Corporation (in case it convenes the meeting) or the Trustee (in any other case) for the purpose of enabling the Debentureholders to be present and vote at any meeting without producing their

Debentures, and of enabling them to be present and vote at any such meeting by proxy and of lodging instruments appointing such proxies at some place other than the place where the meeting is to be held, may from time to time make and vary such regulations as it shall think fit providing for and governing any or all of the following matters:

- (a) the voting by proxy by Debentureholders and the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and the production of the authority of any person signing on behalf of a Debentureholder;
- (b) the deposit of instruments appointing proxies at such place as the Trustee, the Corporation or the Debentureholder convening the meeting, as the case may be, may, in the notice convening the meeting, direct and the time, if any, before the holding of the meeting or any adjournment thereof by which the same must be deposited; and
- (c) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, faxed or sent by other electronic means before the meeting to the Corporation or to the Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. The Trustee may dispense with any such deposit and permit Debentureholders to make proof of ownership in such other manner, if any, as the Trustee may approve. Save as such regulations may provide, the only persons who shall be recognized at any meeting as the holders of any Debentures, or as entitled to vote or be present at the meeting in respect thereof, shall be Debentureholders and persons whom Debentureholders have by instrument in writing duly appointed as their proxies.

#### **10.9 Persons Entitled to Attend Meetings**

The Corporation and the Trustee, by their respective officers, employees, trustees and directors, the Auditors of the Corporation, and the legal advisers of the Corporation, the Trustee or any Debentureholder, may attend any meeting of the Debentureholders, but shall have no vote as such.

#### **10.10 Powers Cumulative**

Any one or more of the powers in this Indenture stated to be exercisable by the Debentureholders may be exercised from time to time and the exercise of any one or more of such powers from time to time shall not be deemed to exhaust the rights of the Debentureholders to exercise the same or any other such power or powers thereafter from time to time.

#### **10.11 Minutes**

Minutes of all resolutions and proceedings at every meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chair of the meeting at which such resolutions were passed or proceedings had, or by the chair of the next succeeding meeting of the Debentureholders, shall be *prima facie* evidence of the matters therein stated and, until the contrary is proved, every such meeting, in respect of the proceedings of which minutes shall have been made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings taken thereat to have been duly passed and taken.

#### **10.12 Instruments in Writing**

All actions which may be taken and all powers that may be exercised by the Debentureholders as provided in this Indenture may be taken and exercised at a meeting of holders held as hereinbefore in this

Article 10 provided or by the requisite amount of such holders as set forth in Article 9 or otherwise provided herein pursuant to an instrument in writing signed in one or more counterparts, and the expression “resolution” or “Ordinary Resolution” when used in this Indenture shall include an instrument so signed.

### **10.13 Binding Effect of Resolutions**

Every resolution passed in accordance with the provisions of this Article 10 at a meeting of Debentureholders shall be binding upon all the Debentureholders, whether present at or absent from such meeting, and every instrument in writing signed by Debentureholders in accordance with Section 10.12 shall be binding upon all the Debentureholders, whether signatories thereto or not, and each and every Debentureholder and the Trustee (subject to the provisions for its indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

### **10.14 Evidence of Rights of Debentureholders**

- (a) Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Debentureholders may be in any number of concurrent instruments of similar tenor signed or executed by such Debentureholders.
- (b) The Trustee may, in its discretion, require proof of execution in cases where it deems proof desirable and may accept such proof as it shall consider proper.

## **ARTICLE 11 NOTICES**

### **11.1 Notice to Corporation**

Any notice to the Corporation under the provisions of this Indenture shall be valid and effective if delivered to the Corporation at: Suite 1810, 500 – 4th Ave SW, Calgary, AB, T2P 2V6, Attention: Chief Financial Officer, with a copy delivered to Norton Rose Fulbright Canada LLP, Suite 3700, 400 – 3rd Ave SW, Calgary, AB, T2P 4H2, Attention: Connor Kense, or if sent by electronic mail to the attention of Chief Financial Officer at [redacted – personal information], with a copy to [redacted – personal information], and deemed to have been given and delivered at the time of delivery in person (if a Business Day and if not then the next succeeding Business Day) unless delivered after 4:30 p.m. at the point of delivery in which case it shall be deemed to have been delivered on the next Business Day, or if given by certified or first class letter, postage prepaid, to such offices and so addressed and if mailed, shall be deemed to have been effectively given three Business Days following the mailing thereof, or if sent by electronic mail, shall be deemed to have been effectively given, upon confirmation of receipt by the recipient if it is a Business Day and confirmation was received prior to 4:00 p.m. (Calgary time) and otherwise on the next Business Day. The Corporation may from time to time notify the Trustee in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Corporation for all purposes of this Indenture.

### **11.2 Notice to Debentureholders**

- (a) All notices to be given hereunder with respect to the Debentures shall be deemed to be validly given to the holders thereof if sent by first class mail, postage prepaid, by letter or circular addressed to such holders at their post office addresses appearing in any of the registers hereinbefore mentioned (or such other e-mail address(es) as such Debentureholder may direct the Corporation and the Trustee in writing from time to time) and shall be deemed to have been effectively given 10 Business Days following the day of mailing (or such other e-mail address(es) as such Debentureholder may direct the Corporation and the Trustee in writing from time to time), which if sent by email transmission, shall be deemed to have been given and received at the time of receipt (if a Business Day, if not the next succeeding Business Day) unless actually received after 4:30 p.m. (Calgary time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day. Accidental error or omission in giving notice or accidental failure to mail notice to any Debentureholder or the inability of the Corporation

or the Trustee, as the case may be, to give or mail any notice due to anything beyond the reasonable control of the Corporation or the Trustee, as the case may be, shall not invalidate any action or proceeding founded thereon.

- (b) All notices with respect to any Debenture registered in the name of one or more joint holders shall be given to all joint holders at the address appearing on the register.

### **11.3 Notice to Trustee**

Any notice to the Trustee under the provisions of this Indenture shall be valid and effective if delivered to the Trustee at its principal office in the City of Calgary, Alberta, at 324 – 8 Avenue SW, Suite 800 Calgary, AB, T2P 2Z2, Attention: Corporate Trust, and deemed to have been given and delivered at the time of delivery in person (if a Business Day and if not then the next succeeding Business Day) unless delivered after 4:30 p.m. at the point of delivery in which case it shall be deemed to have been delivered on the next Business Day, or if given by certified or first class letter, postage prepaid, to such office and so addressed and, if mailed, shall be deemed to have been effectively given three Business Days following the mailing thereof, or sending the same by email transmission to the same addressee at [corporatetrust.calgary@computershare.com](mailto:corporatetrust.calgary@computershare.com), which if sent by email transmission, shall be deemed to have been given and received at the time of receipt (if a Business Day, if not the next succeeding Business Day) unless actually received after 4:30 p.m. (Calgary time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day.

### **11.4 Mail Service Interruption**

If by reason of any interruption of mail service, actual or threatened, any notice to be given would reasonably be unlikely to reach its destination by the time notice by mail is deemed to have been given pursuant to Sections 11.1 or 11.3, such notice shall be valid and effective only if delivered at the appropriate address in accordance with Sections 11.1 or 11.3 as the case may be.

## **ARTICLE 12 CONCERNING THE DEBENTURE TRUSTEE**

### **12.1 Replacement of Trustee**

- (a) The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Corporation 90 days' notice in writing or such shorter notice as the Corporation may accept as sufficient. The Corporation shall have the power at any time on notice in writing to the Trustee, and the Debentureholders by Ordinary Resolution shall have the power at any time, to remove the existing Trustee and to appoint a new or successor Trustee. In the event of the Trustee resigning or being removed or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new debenture trustee unless a new Trustee has already been appointed by the Debentureholders. Failing such appointment by the Corporation, the retiring Trustee or any Debentureholder may apply to a Judge of the Alberta Court of King's Bench, on such notice as such Judge may direct at the Corporation's expense, for the appointment of a new Trustee but any new debenture trustee so appointed by the Corporation or by such court shall be subject to removal as aforesaid and the appointment of such new debenture trustee shall be effective only upon such new debenture trustee becoming bound by this Indenture. Any new debenture trustee appointed under any provision of this Section 12.1 shall be a corporation authorized to carry on the business of a trust company in all of the provinces and territories of Canada. On any new appointment the new debenture trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Trustee.
- (b) Any company into which the Trustee may be merged or, with or to which it may be consolidated, amalgamated or sold, or any company resulting from any merger, consolidation, arrangement, sale or amalgamation to which the Trustee shall be a party, or

any person to which the Trustee has transferred substantially all of its corporate trust business, shall be the successor trustee under this Indenture without the execution of any instrument or any further act. Nevertheless, upon the written request of the successor debenture trustee or of the Corporation, the Trustee ceasing to act, on payment of all reasonable outstanding fees and expenses, shall execute and deliver an instrument assigning and transferring to such successor debenture trustee, upon the trusts herein expressed, all the rights, powers and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver all property and money held by such Trustee to the successor debenture trustee so appointed in its place. Should any deed, conveyance or instrument in writing from the Corporation be required by any new debenture trustee for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing shall on request of said new debenture trustee, be made, executed, acknowledged and delivered by the Corporation, as the case may require. The reasonable cost of any act, document or other instrument or thing required or permitted under this Section 12.1 shall be at the expense of the Corporation.

## **12.2 Duties of Trustee**

In the exercise of the rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Trustee shall act honestly and in good faith with a view to the best interests of the Debentureholders and shall exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

## **12.3 Reliance Upon Declarations, Opinions, Etc.**

- (a) In the exercise of its rights, duties and obligations hereunder the Trustee may, if acting in good faith, act and rely, as to the truth of the statements and accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports or certificates furnished pursuant to any covenant, condition or requirement of this Indenture or required by the Trustee to be furnished to it in the exercise of its rights and duties hereunder, if the Trustee examines such statutory declarations, opinions, reports or certificates and determines that they comply with Section 12.4, if applicable, and with any other applicable requirements of this Indenture. The Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. Without restricting the foregoing, the Trustee may act and rely on an opinion of Counsel satisfactory to the Trustee notwithstanding that it is delivered by a solicitor or firm which acts as solicitors for the Corporation.
- (b) The Trustee shall be entitled to rely, and act, upon any direction, request, order, instruction, notice or other communication provided to it hereunder which is sent to it by facsimile transmission or electronic delivery.

## **12.4 Evidence and Authority to Trustee, Opinions, Etc.**

- (a) The Corporation shall furnish to the Trustee evidence of compliance with the conditions precedent provided for in this Indenture relating to any action or step required or permitted to be taken by the Corporation or the Trustee under this Indenture or as a result of any obligation imposed under this Indenture, including without limitation, the certification and delivery of Debentures hereunder, the satisfaction and discharge of this Indenture and the taking of any other action to be taken by the Trustee at the request of or on the application of the Corporation, forthwith if and when (i) such evidence is required by any other Section of this Indenture to be furnished to the Trustee in accordance with the terms of this Section 12.4, or (ii) the Trustee, in the exercise of its rights and duties under this Indenture, gives the Corporation written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice.

Such evidence shall consist of:

- (A) a certificate made by any one director or officer of the Corporation, stating that any such condition precedent has been complied with in accordance with the terms of this Indenture;
  - (B) in the case of a condition precedent compliance with which is, by the terms of this Indenture, made subject to review or examination by a solicitor, an opinion of Counsel that such condition precedent has been complied with in accordance with the terms of this Indenture; and
  - (C) in the case of any such condition precedent compliance with which is subject to review or examination by auditors or accountants, an opinion or report of the Auditors of the Corporation, whom the Trustee for such purposes hereby approves, that such condition precedent has been complied with in accordance with the terms of this Indenture.
- (b) Whenever such evidence relates to a matter other than the certification and delivery of Debentures and the satisfaction and discharge of this Indenture, and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any other person whose qualifications give authority to a statement made by him, provided that if such report or opinion is furnished by a director, officer or employee of the Corporation it shall be in the form of a statutory declaration. Such evidence shall be, so far as appropriate, in accordance with the immediately preceding paragraph of this Section 12.4.
- (c) Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in this Indenture shall include (i) a statement by the person giving the evidence that he has read and is familiar with those provisions of this Indenture relating to the condition precedent in question, (ii) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in such evidence are based, (iii) a statement that, in the belief of the person giving such evidence, he has made such examination or investigation as is necessary to enable him to make the statements or give the opinions contained or expressed therein, and (iv) a statement whether in the opinion of such person the conditions precedent in question have been complied with or satisfied.
- (d) The Corporation shall furnish to the Trustee at any time if the Trustee reasonably so requires, its certificate that the Corporation has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which would, with the giving of notice or the lapse of time, or both, or otherwise, constitute an Event of Default, or if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance. The Corporation shall, whenever the Trustee so requires, furnish the Trustee with evidence by way of statutory declaration, opinion, report or certificate as specified by the Trustee as to any action or step required or permitted to be taken by the Corporation or as a result of any obligation imposed by this Indenture.

## **12.5 Officer's Certificates Evidence**

Except as otherwise specifically provided or prescribed by this Indenture, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, the Trustee, if acting in good faith, may rely upon an Officer's Certificate.

## 12.6 Experts, Advisers and Agents

The Trustee:

- (a) may employ or retain and act and rely on the opinion or advice of or information obtained from any solicitor, auditor, valuer, engineer, surveyor, appraiser or other expert, whether obtained by the Trustee or by the Corporation, or otherwise, and shall not be liable for acting and relying, or refusing to act, in good faith on any such opinion or advice and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid;
- (b) may employ such agents and other assistants as it may reasonably require for the proper determination and discharge of its duties hereunder, and may pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all reasonable disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof and any solicitors employed or consulted by the Trustee may, but need not be, solicitors for the Corporation, and the Trustee shall not be responsible for any negligence or misconduct on the part of any such person provided it has exercised due care in the selection of such person.

## 12.7 Trustee May Deal in Debentures

Subject to Section 12.2, the Trustee may, in its personal or other capacity, buy, sell, lend upon and deal in the Debentures and generally contract and enter into financial transactions with the Corporation or otherwise, without being liable to account for any profits made thereby.

## 12.8 Investment of Monies Held by Trustee

Unless otherwise provided in this Indenture, any monies held by the Trustee, which, under the trusts of this Indenture, may or ought to be invested or which may be on deposit with the Trustee or which may be in the hands of the Trustee, may be invested and reinvested in the name or under the control of the Trustee, and unless and until the Trustee shall have declared the principal of and interest on the Debentures to be due and payable, upon receipt of a Written Direction of the Corporation, the Trustee shall invest the monies in Authorized Investments in its name in accordance with such Written Direction of the Corporation. Any Written Direction of the Corporation to the Trustee shall be provided to the Trustee no later than 9:00 a.m. (Calgary time) on the day on which the investment is to be made. Any such Written Direction of the Corporation received by the Trustee after 9:00 a.m. (Calgary time) or received on a non-Business Day, shall be deemed to have been given prior to 9:00 a.m. (Calgary time) on the next Business Day. Any Written Direction of the Corporation for the release of the funds must be received prior to 9:00 a.m. (Calgary time) on the day prior to the day on which the release of funds is to be made. Any such direction for the release of funds received after 9:00 a.m. (Calgary time) on the day prior to the day for release of funds or on a non-Business Day, will be handled on a commercially reasonable efforts basis and may result in the funds being released on the next Business Day. For the purpose hereof, "**Authorized Investments**" means (a) securities issued by or directly and fully guaranteed or insured by the federal government of Canada or any agency or instrumentality thereof (provided that the full faith and credit of the federal government of Canada is pledged in support of those securities), and (b) demand accounts, time deposit accounts, bearer deposit notes, certificates of deposit, bankers' acceptances, demand and overnight bank deposits and other similar types of investments routinely offered by commercial banks or trust companies, in each case, with any bank or trust company that has a rating of "A" or higher from S&P, "A2" or higher from Moody's, "F1" or higher by Fitch or "A" or higher from DBRS; provided that, in the case of (a) or (b) such investments are denominated and held in Canadian dollars and are expressed to mature within 90 days after their purchase by the Trustee or such shorter period as required or selected by the Corporation to facilitate any payments expected to be made under this Indenture.

In the event that the Trustee does not receive a Written Direction of the Corporation or only a partial Written Direction of the Corporation, the Trustee may hold cash balances constituting part or all of the escrow fund and may, but need not, invest same in its deposit department; but the Trustee shall not be liable to account for any profit to any parties to this Indenture or to any other person or entity other than at a rate, if any, established from time to time by the Trustee.

#### **12.9 Trustee Not Ordinarily Bound**

Except as provided in Section 6.2 and as otherwise specifically provided herein, the Trustee shall not, subject to Section 12.2, be bound to give notice to any person of the execution hereof, nor to do, observe or perform or see to the observance or performance by the Corporation of any of the obligations herein imposed upon the Corporation or of the covenants on the part of the Corporation herein contained, nor in any way to supervise or interfere with the conduct of the Corporation's business, and then only after it shall have been funded and indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

#### **12.10 Trustee Not Required to Give Security**

The Trustee shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

#### **12.11 Trustee Not Bound to Act**

Except as in this Indenture otherwise specifically provided, the Trustee shall not be bound to act in accordance with any direction or request of the Corporation until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be empowered to act and rely upon any such copy purporting to be authenticated and believed by the Trustee to be genuine.

#### **12.12 Conditions Precedent to Trustee's Obligations to Act Hereunder**

- (a) The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing the rights of the Trustee and of the Debentureholders hereunder shall be conditional upon the Debentureholders furnishing when required by notice in writing by the Trustee, sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Trustee to protect and hold harmless the Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.
- (b) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.
- (c) The Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding require the Debentureholders at whose instance it is acting to deposit with the Trustee the Debentures held by them for which Debentures the Trustee shall issue receipts.
- (d) The Trustee shall not be bound to give any notice or to do or take any act, action or proceeding in virtue of the powers conferred on it hereby unless and until it shall be required to do so under the terms hereof; nor, subject to any Event of Default which may be known by the Trustee, shall the Trustee be required to take notice of any Event of Default hereunder, unless and until notified in writing of such Event of Default, which notice shall specify the Event of Default desired to be brought to the attention of the Trustee, and in the absence of such notice, the Trustee may for all purposes of this Indenture conclusively assume that the Corporation is not in default hereunder and that no default has occurred

with respect to the payment of principal of, premium, if any, or interest on Debentures or in the observance or performance of any of the covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Trustee to determine whether or not the Trustee shall take action with respect to any Event of Default.

- (e) The Corporation shall provide to the Trustee an incumbency certificate setting out the names and sample signatures of persons authorized to give instructions to the Trustee hereunder. The Trustee shall be entitled to act and rely on such certificate until a revised certificate is provided to it hereunder. The Trustee shall be entitled to refuse to act upon any instructions given by a party which are signed by any person other than a person described in the incumbency certificate provided to it pursuant to this Section 12.12.
- (f) The Trustee shall not be liable for any consequential, punitive or special damages.
- (g) The Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was grossly negligent in ascertaining the pertinent facts.
- (h) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of a majority of the principal amount of the outstanding Debentures relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Debentures.
- (i) The Trustee shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Trustee (including but not limited to any act or provision of any present or future law or regulation or Governmental Authority, any act of god or war).

### **12.13 Authority to Carry on Business**

The Trustee represents to the Corporation that at the date of execution and delivery by it of this Indenture it is authorized to carry on the business of a trust company in each of the provinces and territories of Canada but if, notwithstanding the provisions of this Section 12.13, it ceases to be so authorized to carry on business, the validity and enforceability of this Indenture and the Debentures issued hereunder shall not be affected in any manner whatsoever by reason only of such event but the Trustee shall, within 60 days after ceasing to be authorized to carry on the business of a trust company in any of the provinces and territories of Canada, either become so authorized or resign in the manner and with the effect specified in Section 12.1.

### **12.14 Compensation and Indemnity**

- (a) The Corporation shall pay to the Trustee from time to time reasonable remuneration for its services hereunder as agreed separately by the Corporation and the Trustee, and shall pay to or reimburse the Trustee on demand all reasonable expenses, disbursements and advances incurred or made by the Trustee in the administration or execution of its duties under this Indenture (including the reasonable and documented compensation and disbursements of its Counsel and all other advisers and assistants not regularly in its employ), until the trusts hereof be finally wound up, including both before any default hereunder and thereafter until all duties of the Trustee under this Indenture shall be finally and fully performed, whether or not the trusts of this Indenture shall be in the course of administration by or under the direction of a court of competent jurisdiction. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust.
- (b) The Corporation hereby indemnifies and saves harmless the Trustee and its directors, officers, employees, agents and its representatives, successors and assigns from and

against any and all loss, damages, charges, expenses, claims, demands, actions or liability whatsoever which may be brought against the Trustee or which it may suffer or incur as a result of or arising out of the performance of its duties and obligations hereunder save only in the event of gross negligence or the wilful misconduct or bad faith of the Trustee. This indemnity will survive the termination or discharge of this Indenture and the resignation or removal of the Trustee. The Trustee shall notify the Corporation promptly of any claim for which it may seek indemnity. The Corporation shall defend the claim and the Trustee shall co-operate in the defence. The Trustee may have separate counsel and the Corporation shall pay the reasonable fees and expenses of such Counsel. The Corporation need not pay for any settlement made without its consent, which consent must not be unreasonably withheld. This indemnity shall survive the resignation or removal of the Trustee or the termination or discharge of this Indenture.

- (c) The Corporation need not reimburse any expense or indemnify against any loss or liability incurred by the Trustee through gross negligence, wilful misconduct or bad faith of the Trustee.
- (d) Notwithstanding any other provision of this Indenture, any liability of the Trustee shall be limited to direct damages. Notwithstanding any other provision of this Indenture, and whether such losses or damages are foreseeable or unforeseeable, the Trustee shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits, or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

#### **12.15 Acceptance of Trust**

The Trustee hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various persons who shall from time to time be Debentureholders, subject to all the terms and conditions herein set forth.

#### **12.16 Third Party Interests**

The Corporation hereby represents to the Trustee that any account to be opened by, or interest to held by, the Trustee in connection with this Indenture for or to the credit of the Corporation, either: (a) is not intended to be used by or on behalf of any third party; or (b) is intended to be used by or on behalf of a third party, in which case the Corporation agrees to complete and execute forthwith a declaration in the Trustee's prescribed form as to the particulars of such third party.

#### **12.17 Anti-Money Laundering**

The Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Trustee, in its sole judgment, acting reasonably, determines that such act might cause it to be in noncompliance with any applicable anti-money laundering or anti-terrorist legislation, or economic sanction legislation, regulation or guideline. Further, should the Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, or economic sanction legislation, regulation or guideline, then it shall have the right to resign on 10 days' prior written notice sent to the Corporation, provided that (a) the Trustee's written notice shall describe the circumstances of such non-compliance; and (b) if such circumstances are rectified to the Trustee's satisfaction within such 10 day period, then such resignation shall not be effective.

#### **12.18 Privacy Laws**

The parties acknowledge that the Trustee may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives,

as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

- (a) to provide the services required under this Indenture and other services that may be requested from time to time;
- (b) to help the Trustee manage its servicing relationships with such individuals;
- (c) to meet the Trustee legal and regulatory requirements; and
- (d) if Social Insurance Numbers or TIN numbers are collected by the Trustee, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Trustee may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Indenture for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Trustee shall make available on its website, [www.computershare.com](http://www.computershare.com), or upon request, including revisions thereto. The Trustee may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

Further, each party agrees that it shall not provide or cause to be provided to the Trustee any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

#### **12.19 Force Majeure**

Except for the payment obligations of the Corporation contained herein, neither party shall be liable to the other, or held in breach of this Indenture, if prevented, hindered or delayed in the performance or observance of any provision contained herein by reason of an act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

#### **12.20 Trustee Will Disburse Only Monies and Shares Deposited**

The Trustee will disburse monies and Shares according to this Indenture only to the extent that monies have been deposited with it and to the extent Shares have been delivered to it.

#### **12.21 Trustee Protected in Acting**

The Trustee may act and rely, and shall be protected in acting and relying absolutely, upon any resolution, Officer's Certificate, statement, instrument, opinion, report, notice, request, consent, order, letter, facsimile transmission, directions or other paper document believed in good faith by it to be genuine and to have been signed, sent or presented by or on behalf of the proper party or parties. The Trustee shall be protected in acting and relying upon any written notice, request, waiver, consent, certificate, receipt, statutory declaration, affidavit or other paper or document furnished to it, not only as to its due execution and the validity and the effectiveness of its provisions but also as to the truth and acceptability of any information therein contained which it in good faith believes to be genuine and what it purports to be.

#### **12.22 Accountability, Responsibility and Liability of the Trustee**

The Trustee shall not be accountable with respect to the validity or value (or the kind or amount) of any Shares or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Debenture. The Trustee shall not be responsible for any failure of the

Corporation to make any cash payment or to issue, transfer or deliver Shares or certificates for the same, if any, pursuant to the terms of this Indenture.

**ARTICLE 13  
EXECUTION AND FORMAL DATE**

**13.1 Execution**

This Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

**13.2 Formal Date**

For the purpose of convenience this Indenture may be referred to as bearing the formal date of December 24, 2025 irrespective of the actual date of execution hereof.

*[Remainder of this page intentionally left blank]*

IN WITNESS whereof the parties hereto have executed these presents under the hands of their proper officers in that behalf.

**CONDOR ENERGIES INC.**

By: (signed) "Sandy Quilty"  
Name: Sandy Quilty  
Title: Vice-President and Chief Financial Officer

**COMPUTERSHARE TRUST  
COMPANY OF CANADA**

By: (signed) "Luci Scholes"  
Name: Luci Scholes  
Title: Corporate Trust Officer

By: (signed) "Sue-Anne Wong"  
Name: Sue-Anne Wong  
Title: Corporate Trust Officer

**Schedule “A”  
Form of Certificated Debenture**

*(below two legends only to be inserted for a Global Debenture)*

This Certificated Debenture is a Global Debenture within the meaning of the Indenture herein referred to and is registered in the name of a Depository or a nominee thereof. This Certificated Debenture may not be transferred to or exchanged for Certificated Debentures registered in the name of any person other than the Depository or a nominee thereof and no such transfer may be registered except in the limited circumstances described in the Indenture. Every Certificated Debenture authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of, this Debenture shall be a Global Debenture subject to the foregoing, except in such limited circumstances described in the Indenture.

Unless this Certificated Debenture is presented by an authorized representative of CDS Clearing and Depository Services Inc. (“CDS”) to Condor Energies Inc. or its agent for registration of transfer, exchange or payment, and any certificate issued in respect thereof is registered in the name of CDS & CO., or in such other name as is requested by an authorized representative of CDS (and any payment is made to CDS & CO. or to such other entity as is requested by an authorized representative of CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since as the registered holder hereof, CDS & CO. has a property interest in the securities represented by this certificate herein and it is a violation of its rights for another person to hold, transfer or deal with this certificate.

**Unless permitted under securities legislation, the holder of this security must not trade the security before <Insert date that is four (4) months and one (1) day after the Issuance Date>.**

CONDOR ENERGIES INC.

(A corporation governed by the laws of Alberta)

12.0% UNSECURED CONVERTIBLE DEBENTURES

Certificate No. ●  
\$●

CUSIP: 20676AAA6  
ISIN: CA20676AAA66

CONDOR ENERGIES INC. (the “Corporation”) for value received hereby acknowledges itself indebted and, subject to the provisions of the trust indenture dated December 24, 2025 (the “Indenture”) between the Corporation and Computershare Trust Company of Canada (the “Trustee”), promises to pay to ● on the Maturity Date, or on such earlier date as the principal amount indicated in the centre of this certificate in lawful money of Canada on presentation and surrender of this Certificated Debenture at the principal office of the Trustee in Calgary, Alberta, in accordance with the terms of the Indenture and, subject as hereinafter provided, to pay interest on the principal amount hereof from and including the date hereof, or from and including the last Interest Payment Date to which interest shall have been paid or made available for payment hereon, whichever is later, to but excluding the next Interest Payment Date at the rate of 12.0% per annum (based on a 360-day year consisting of twelve 30-day months), in like money, in arrears in equal semi-annual installments (less any tax required by law to be deducted) on June 24 and December 24 in each year commencing on June 24, 2026 and the last payment (representing interest payable from the last Interest Payment Date to, but excluding, the Maturity Date) to fall due on the Maturity Date and, should the Corporation at any time make default in the payment of any principal, premium, if any, or interest, to pay interest on the amount in default at the same rate, in like money and on the same dates. For certainty, the first interest payment will include interest accrued from December 24, 2025 to, but excluding June 24, 2026, which will be equal to \$60.00 for each \$1,000 principal amount of the Debentures and the last interest payment will include interest accrued from June 24, 2028 to December 24, 2028, which will be equal to \$60.00 for each \$1,000 principal amount of the Debentures.

Subject to applicable regulatory approval (including the approval of such stock exchange(s) on which the Shares are listed, if applicable), the Corporation shall satisfy its Interest Obligation on the Debentures on each Interest Payment Date (including, for greater certainty, following conversion or redemption or on the Maturity Date) by delivering cash for the Interest Obligation then due (equal to 12% per annum). Interest hereon that is to be paid in cash shall be payable by wire, cheque, electronic transfer of funds or such other means as may be agreed to by the Trustee, to the registered holder hereof and, subject to the provisions of the Indenture.

This Certificated Debenture is one of the Debentures of the Corporation issued or issuable under the provisions of the Indenture. The authorized principal amount of the Debentures is limited to an aggregate principal amount of \$13,900,000 in lawful money of Canada. Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which the Debentures are to be issued and held and the rights and remedies of the holders of the Debentures and of the Corporation and of the Trustee, all to the same effect as if the provisions of the Indenture were herein set forth to all of which provisions the holder of this Debenture by acceptance hereof assents.

The Debentures are issuable only in denominations of \$1,000 and integral multiples thereof. Upon compliance with the provisions of the Indenture, this Debenture may be exchanged for an equal aggregate principal amount of Debentures in any other authorized denomination or denominations.

The Corporation will pay to the Debentureholder such Additional Amounts as may become payable under Section 2.12 of the Indenture.

Subject to any applicable regulatory approval (including the approval of such stock exchange(s) on which the Shares are listed, if applicable), the whole, or if this Certificated Debenture is in a denomination in excess of \$1,000 any part of which is \$1,000 or an integral multiple thereof, of the principal of this Certificated Debenture is convertible, at the option of the holder hereof, upon surrender of this Certificated Debenture at the principal office of the Trustee in the City of Calgary, Alberta, at any time prior to 4:30 p.m. (Calgary time) on the earlier of the Business Day preceding the Maturity Date and the Business Day immediately preceding the date specified by the Corporation for redemption or conversion of this Certificated Debenture, into Freely Tradeable Shares (subject to Article 4 of the Indenture) (without adjustment to the Conversion Price for distributions on Shares issuable on conversion or for interest accrued on the Debentures surrendered for conversion) at a conversion price of \$2.00 per Share (the "Conversion Price"), all subject to the terms and conditions and in the manner set forth in the Indenture. The Indenture makes provision for the adjustment of the Conversion Price in the events therein specified. No fractional Shares will be issued on any conversion but in lieu thereof, the Corporation will satisfy such fractional interest by a cash payment equal to the Current Market Price of such fractional interest or determined in accordance with the Indenture.

From and after the announcement by the Corporation of a Change of Control that is recommended by the board of directors of the Corporation, and subject to the terms on conditions set out in the Indenture, the Corporation shall have a right to require the holder of this Certificated Debenture to convert the whole or any part of this Certificated Debenture into Shares at the Conversion Price.

The indebtedness evidenced by this Certificated Debenture is a direct unsecured obligation of the Corporation, and will rank equally with all other Debentures and with all other unsecured and unsubordinated indebtedness of the Corporation except as prescribed by law. The Indenture does not limit the Corporation from incurring additional indebtedness that ranks senior to the Debentures, or from mortgaging, pledging or charging the Corporation's properties to secure any indebtedness.

The principal hereof may become or be declared due and payable before the stated maturity in the events, in the manner, with the effect and at the times provided in the Indenture.

The Indenture contains provisions making binding upon all Debentureholders outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of Debentures outstanding, which resolutions or

instruments may have the effect of amending the terms of this Debenture or the Indenture. Further, in certain cases, the holders of not less than a majority in principal amount of Debentures then outstanding may, on behalf of all Debentureholders, waive an Event of Default and/or cancel a declaration of acceleration upon such terms and conditions as such holders shall prescribe.

This Certificated Debenture may only be transferred, upon compliance with the conditions prescribed in the Indenture, in one of the registers to be kept at the principal office of the Trustee in Calgary, Alberta and in such other place or places and/or by such other registrars (if any) as the Corporation with the approval of the Trustee may designate. No transfer of this Certificated Debenture shall be valid unless made on the register by the registered holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in form and substance satisfactory to the Trustee or other registrar, and upon compliance with such reasonable requirements as the Trustee and/or other registrar may prescribe and upon surrender of this Debenture for cancellation. Thereupon a new Debenture or Debentures in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Certificated Debenture shall not become obligatory for any purpose until it shall have been certified by the Trustee under the Indenture.

The Indenture and this Certificated Debenture shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Capitalized words or expressions used in this Certificated Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture. **In the event that the terms and conditions stated in this Certificated Debenture conflict, or are inconsistent with, the terms and conditions of the Indenture, the Indenture shall prevail and take priority.**

**IN WITNESS WHEREOF CONDOR ENERGIES INC.** has caused this Certificated Debenture to be signed by its authorized signatory as of the day of \_\_\_\_\_, 2025.

**CONDOR ENERGIES INC.**

By: \_\_\_\_\_  
Authorized Signatory

FORM OF TRUSTEE'S CERTIFICATE

This Certificated Debenture is one of the 12.0% unsecured convertible debentures referred to in the Indenture within mentioned.

DATED:

**COMPUTERSHARE TRUST COMPANY OF  
CANADA**

by: \_\_\_\_\_

Authorized Signing Officer

(Form of Registration Panel)

(No writing hereon except by the Trustee)

\_\_\_\_\_  
Date of Registration

\_\_\_\_\_  
In Whose name Registered

\_\_\_\_\_  
Authorized Signature  
of Trustee

**FORM OF ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto [●], whose address and social insurance number, if applicable, are set forth below, this Debenture (or \$[●] principal amount hereof\*) of Condor Energies Inc. standing in the name(s) of the undersigned in the register maintained with respect to such Debenture and does hereby irrevocably authorize and direct the Trustee to transfer such Debenture in such register, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Address of Transferee:

\_\_\_\_\_  
\_\_\_\_\_  
(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable: \_\_\_\_\_

\*If less than the full principal amount of the Debenture is to be transferred, indicate in the space provided the principal amount (which must be \$1,000 or an integral multiple thereof) to be transferred.

The signature(s) to this assignment must correspond with the name(s) as written upon the face of this Debenture in every particular without alteration or any change whatsoever. The signature(s) must be guaranteed by a Canadian chartered bank or trust company or by a member of an acceptable Medallion Guarantee Program. Notarized or witnessed signatures are not acceptable as guaranteed signatures. The guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".

The registered holder of this Debenture is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Debenture.

Signature of guarantor:

Authorized Officer

Signature of transferring registered holder

Name of Institution

*(Schedule be removed if the Certificated Debenture is not a certificated Global Debenture)*

**CONDOR ENERGIES INC.  
12.0% UNSECURED CONVERTIBLE DEBENTURES  
CUSIP 20676AAA6  
ISIN CA20676AAA66**

**SCHEDULE OF INCREASES AND DECREASES**

Initial Principal Amount: \$●

Authorization: \_\_\_\_\_  
(Trustee)

The following transfers, exchanges, repayments and redemptions of this Global Debenture have been made:

<b>Date of Transfer, Exchange, Repayment of Redemption</b>	<b>Amount of Decrease in Principal Amount of this Global Debenture</b>	<b>Amount of Increase in Principal Amount of this Global Debenture</b>	<b>Principal Amount of this Global Debenture Following Such Decrease (or Increase)</b>	<b>Signature of Trustee</b>
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**Schedule "B"**  
**Form of Maturity Notice**

**CONDOR ENERGIES.**

**12.0% UNSECURED CONVERTIBLE DEBENTURES**

**MATURITY NOTICE**

To: Holders of 12.0% unsecured convertible debentures (the "Debentures") of Condor Energies Inc. (the "Corporation")

Note: All capitalized terms used herein have the meanings ascribed thereto in the Indenture (as defined below), unless otherwise indicated.

Notice is hereby given pursuant to Sections 2.2(g) of the trust indenture dated December 24, 2025 (the "Indenture") between the Corporation and Computershare Trust Company of Canada, as trustee (the "Trustee"), that the Debentures are due and payable as of the Maturity Date, and the Corporation hereby advises the holders of [an aggregate principal amount of \$\_\_\_\_\_ of the] the Debentures that it will deliver to Debentureholders a cash payment for the principal amount of the Debentures, and cash for all accrued but unpaid interest (equal to 12% per annum). Upon presentation and surrender of the Debentures, the Corporation will pay or cause to be paid to the holder all cash to which the holder is entitled in respect of principal and interest to the Maturity Date. **The Debentures shall cease to be convertible at 4:30 p.m. (Calgary time) on the Business Day preceding the Maturity Date.**

DATED:

**CONDOR ENERGIES INC.**

By: \_\_\_\_\_  
Authorized Signatory

**Schedule "C"**  
**Form of Notice of Conversion**

TO: CONDOR ENERGIES INC.

Note: All capitalized terms used herein have the meaning attributed thereto in the Indenture between Condor Energies Inc. and Computershare Trust Company of Canada dated December 24, 2025 (the "Indenture"), unless otherwise indicated.

The undersigned registered holder of this 12.0% unsecured convertible debentures irrevocably elects to convert such Debentures (or \$[●] principal amount thereof\*) in accordance with the terms of the Indenture referred to in such Debentures and tenders herewith the Debentures, and, if applicable, directs that the Shares of Condor Energies Inc. issuable upon a conversion (or such other securities or property required to be delivered as provided by the terms of the Indenture) be issued and/or delivered to the person indicated below. (If Shares or other securities are to be issued in the name of a person other than the holder, all requisite transfer taxes must be tendered by the undersigned and the Form of Assignment must be completed).

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Registered Holder)

If less than the full principal amount of the Debentures, indicate in the space provided the principal amount (which must be \$1,000 or integral multiples thereof).

Note: If Shares are to be issued in the name of a person other than the holder, the signature must be guaranteed by a chartered bank, a trust company or by a member of an acceptable Medallion Guarantee Program. The guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".

(Print name in which Shares are to be issued, delivered and registered)

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

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City, Province and Postal Code)

Name of guarantor: \_\_\_\_\_

Authorized signature: \_\_\_\_\_