

FARMOUT AGREEMENT

This Agreement is made and entered into effective the 10th day of March, A.D., 2015.

BETWEEN:

**LONG FORTUNE PETROLEUM (SASKATCHEWAN)
CORPORATION**, a body corporate, having an office at the City of Regina in the
Province of Saskatchewan;

(hereinafter referred to as "**Long Fortune** " or "**Farmor**")

-and-

DAWN ENERGY INC., a body corporate, having an office at the City of Estevan,
in the Province of Saskatchewan;

(hereinafter referred to as "**Dawn**" or "**Farmee**")

WHEREAS Long Fortune holds an undivided interest in the Farmout Lands and the Title Documents as set out in Schedule A attached hereto; and

AND WHEREAS Dawn holds an undivided interest in the Farmout Lands and Title Documents as set out in Schedule A attached hereto; and

AND WHEREAS the parties wish to set forth the terms of drilling oil and gas wells on the jointly owned lands, the earning of working interest, payment of lessor royalty, and conduct of operations.

NOW THEREFORE in consideration of the premises and the covenants and agreements herein contained, the parties agree as follows:

1. Definitions

Each capitalized term used in this Head Agreement will have the meaning given to it in the 1997 CAPL Farmout and Royalty Procedure (hereinafter referred to as the Farmout & Royalty Procedures), and, in addition:

(a) "**abandon**" and the derivatives thereof shall mean the proper plugging and abandoning of a well in compliance with all Regulations, including the restoration of the wellsite to the satisfaction of any governmental body having jurisdiction with respect thereto;

- (b) **"Effective Date"** shall mean March 10, 2015;
- (c) **"Farmee"** shall mean Dawn;
- (d) **"Farmor"** shall mean Long Fortune;
- (e) **"Farmout Interest"** shall mean the undivided interest of the Farmor in the Farmout Lands as set forth and described in Schedule "A" attached hereto;
- (f) **"Farmout Lands"** shall mean the lands set forth and described in Schedule "A" attached hereto, and includes the petroleum substances within, upon or under such lands to the extent that such substances are granted by the Title Documents;
- (g) **"Operating Procedure"** shall mean the 1990 CAPL form of Operating Procedure and the 1996 PASC Accounting Procedure and the elections thereto shown on Schedule "D" attached hereto;
- (h) **"Test Well"** shall mean the initial well drilled on the Farmout Lands in accordance with Clause 3;
- (i) **"Title Documents"** shall mean the documents of title by virtue of which the parties hereto are entitled to drill for, win, take or remove petroleum substances underlying all or any portion of the Farmout Lands and all renewals or extensions thereof or further documents of title issued pursuant thereto;

2. Schedules

The following Schedules are attached hereto and are incorporated into this Agreement:

- (a) Schedule "A" which sets forth the Farmout Lands and the Title Documents and the Farmout Interest therein;
- (b) Schedule "B" which is the Farmout & Royalty Procedure containing the rates and elections;
- (c) Schedule "C" which specifies the types of drilling information required to be supplied by the Farmee to the Farmor pursuant to the Farmout & Royalty Procedure.
- (d) Schedule D which specifies the elections respecting the 1990 CAPL form of Operating Procedure and the 1996 PASC Accounting Procedure.

3. Test Well and Option Well(s)

- (a) On or before March 31, 2015, Farmee shall license a vertical well at LSD 5 of 13-014-30W1. On or before **June 30, 2015**, Farmee shall, subject to surface access, regulatory approval, force majeure, and rig availability, spud the Test Well. If the well is not spudded on or before June 30, 2015, the parties shall make all reasonable efforts to submit acceptable reasons to Saskatchewan ECON to secure an additional extension of the Crown lease and the drilling the well. Upon signing this Head Agreement, the parties shall immediately apply for continuation of the Farmout Lands by virtue of submitting a Drilling License Application to Saskatchewan Ministry of Economy. The parties shall both make all efforts to ensure that the Crown portion of the Farmout Lands and the lease encumbering that portion of the Farmout Lands is extended for an additional three (3) months from the original expiry on March 31, 2015.

(b) In carrying out all drilling with respect to the Test Well, Farmee and Farmor shall comply with the provisions of the 1997 CAPL Farmout & Royalty Procedure.

(c) The Test Well will be drilled into the Gravelbourg formation ("Contract Depth"). The parties agree that the Farmee shall be permitted to test any and all other zones and formations, and if so desired, place any further zones onto production.

(d) All risk and expense associated with drilling and completion of the Test Well shall be borne solely by the Farmee. The Farmee shall be solely responsible for payment of the pumpjack costs of the well.

(e) Notwithstanding anything set out herein to the contrary, the parties agree that the Farmee shall be permitted to test and place onto production all other oil and gas formations and zones respecting the Test Well and/or Option Well(s).

4. Interest Earned

(a) Upon drilling the Test Well to Contract Depth, testing and completing, and provided the Farmee is not in default under the terms of this Agreement, the Farmee shall earn from the Farmor in its Farmout Lands all oil and gas formations of which it produces oil or gas as follows:

(i) 75% percent (75%) of the Farmor's Interest in the Farmout Lands, with the following resultant interests in the Farmout Lands

Farmee (Dawn): 80% Working Interest;

Farmor (Long Fortune): 20% Working Interest.

(b) In the event the Farmee drills the Test Well to a formation other than the Gravelbourg formation and places the additional formation(s) on to oil or gas production, the parties agree that the Farmee shall earn the working interest to the base of all producing oil or gas formation in the Farmout Lands as follows:

Farmee: 80% Working Interest;

Farmor 20% Working Interest.

(c) Farmor agrees to execute and deliver such assignments and notices of assignments, express or implied, as may reasonably be required to vest in the Farmee the interest as earned pursuant to this Agreement. Until such time as the grantor of the Title Documents is bound thereby, Farmor shall hold the interest earned by Farmee in trust for Farmee.

5. Option Well

If the Farmee has drilled the Test Well to Contract Depth and is not otherwise in default, the Farmee will have the option to drill additional Option Well(s) on the Farmout Lands to any oil and gas formation or zone in its sole and absolute discretion. The Farmee may elect, with notice to the Farmor, to drill the Option Well(s) in its sole and absolute discretion. The terms of the Option Well(s) will be the same as set out herein in this Farmout Agreement, namely that the resultant working interest shall be as follows:



Farmee: 80% Working Interest.

Farmor 20% Working Interest.

6. Freehold and Crown Royalty

The parties shall be responsible for their proportionate share of lessor royalties, taxes, and costs pursuant to the Operating Procedure.

7. Abandonment

(a) If the Farmee decides to abandon the Test Well or Option Well(s), upon reaching Contract Depth, the Farmee shall give the Farmor twenty-four (24) hours notice if a drilling rig capable of conducting such abandonment is on location and thirty (30) days notice in any other case prior to commencing abandonment, at which time the Farmor may:

(i) at its sole risk and expense elect to further test the Test Well. The Farmee shall conduct the tests at the Farmor's request. The Farmor shall reimburse the Farmee for all expenses that the Farmee incurs that it would not have otherwise incurred had the Farmor not elected to make the tests; or

(ii) elect to take over the Test Well; or

(iii) concur with the Farmee's decision to abandon the Test Well.

(b) If the Farmee decides to abandon the Test Well or Option Well(s), the Farmee shall be responsible for 100% of the abandonment costs and the Farmor shall be responsible for 0% of the abandonment costs.

8. Substitute Well

If during the drilling of the Test Well the Farmee encounters impenetrable geological formations or mechanical difficulties which make further drilling impracticable, the Farmee shall abandon such well, which shall not be deemed to be the Test Well, and may within thirty (30) days of abandonment commence the drilling of a substitute well at a location to be selected by Farmee on the Farmor Lands. The substitute well shall then be conclusively deemed to be the Test Well and all terms and provisions of this Agreement shall apply mutatis mutandis with the same force and effect.

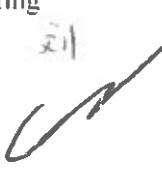
9. Disposition by Farmee During Earning Phase

(a) The Farmee may dispose of a portion of its rights prior to earning hereunder, subject to the consent of the Farmor, which such consent may not be unreasonably withheld. However, the Farmor shall look only to Farmee for performance of any duties and obligations required to be carried out under this Agreement prior to the Farmee earning its interest hereunder and prior to the appropriate Notices of Assignment being forwarded to the Farmor.

10. Operatorship

The Farmee shall be Operator of the Test Well and Option Well(s) on the Farmor Lands. The Farmor shall be responsible for 20% of the operating costs and the Farmee shall be responsible for 80% of the operating

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costs for the Test Well and Option Well(s)

11. Miscellaneous

- (a) The terms of this Agreement express and constitute the entire Agreement amongst the parties and no implied covenants or liability of any kind on the part of the parties is created or shall arise by reasons of anything contained in this Agreement. This Agreement supercedes all other Agreements, documents, writing and verbal understandings amongst the parties relating to the Farmout Lands.
- (b) Except as specifically set forth in Clause 12(c) hereinabove, wherever any term or condition of any Schedule conflicts or is at variance with any term or condition in the body hereof, the latter shall prevail. In the event of any conflict or inconsistency between the provisions of this Agreement and the Title Documents, the provisions of the Title Documents shall prevail.
- (c) This Agreement and the relationship amongst the parties hereto shall be construed and determined according to the laws of the Province of Saskatchewan and each party hereto does attorn to the jurisdiction of the courts of the Province of Saskatchewan with respect to any matter arising out of this Agreement.
- (d) The headings of the Clauses of this Agreement are inserted for convenience of reference only and shall not affect the meaning or construction thereof.
- (e) Wherever the plural or masculine or neuter is used in this Agreement, the same shall be construed as meaning plural or feminine or body politic or corporate and vice versa where the context so requires.
- (f) Except as otherwise provided herein, this Agreement shall enure to the benefit of and shall bind the parties hereto and their respective successors and permitted assigns and the heirs, executors, administrators and assigns of natural persons who are or become parties hereto.
- (g) This Agreement may be executed in as many counterparts as are necessary and all counterparts taken together shall constitute one Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first set out above.

DAWN ENERGY INC.

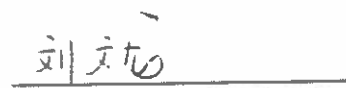
(corporate seal)



Per: President, Cory Wanner

LONG FORTUNE PETROLEUM
(SASKATCHEWAN) CORPORATION

(corporate seal)


Per: General Manager

This is an execution page to a Farmout Agreement dated March 10, 2015 between Long Fortune Petroleum (Saskatchewan) Corporation, as Farmor, and Dawn Energy Inc., as Farmee.

SCHEDULE "A"

Attached to and forming part of a Farmout Agreement dated March 10, 2015 between

Long Fortune Petroleum (Saskatchewan) Corporation, as Farmor, and Dawn Energy Inc., as Farmee.

Titles Documents	Farmout Lands	Pre- Farmout Interest	Encumbrances
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Farmor's Lands

Saskatchewan PN 63297	S/2 - 13-14-30-W1M	80%	CN Sliding Scale
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Farmee's Lands

Freehold P&NG Lease Dated August 22, 2013 Shirley Lynne Anderson	1/5 Interest in all mines and Minerals, upon or under Mineral Parcel #112529965, the SW of 13-14-30-W1M	20%	15% LSR
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Freehold P&NG Lease Dated August 22, 2013 Shirley Lynne Anderson	1/5 Interest in all mines and Minerals, upon or under Mineral Parcel #1125299545, the SE of 13-14-30-W1M	20%	15% LSR
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SCHEDULE "B"

Attached to and forming part of a Farmout Agreement dated March 10, 2015 between Long Fortune Petroleum (Saskatchewan) Corporation, as Farmor, and Dawn Energy Inc., as Farmee.

FARMOUT & ROYALTY PROCEDURE ELECTIONS AND AMENDMENTS

1. Effective Date [Subclause 1.01(f)]: March 10, 2015
2. Payout [Subclause 1.01(t)]: Not Applicable
3. Incorporation of Provisions From 1990 CAPL Operating Procedure (Clause 1.02)
Clause 311 (Insurance): Alternative B
4. Option Wells (Article 4.00) will X /will not (Specify) apply.
5. Overriding Royalty (Article 5.00) will / will not X (Specify) apply
6. Quantification of Overriding Royalty: **NOT APPLICABLE**
7. Conversion of Overriding Royalty (Article 6.00) will ___/will not X (Specify) apply
8. Areas of Mutual Interest (Article 8.00) will ___/will not X (Specify) apply.
9. Farmee to Reimburse Farmor (Clause 11.02) will ___/will not X (Specify) apply.

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SCHEDULE "C"

Attached to and forming part of a Farmout Agreement dated March 10, 2015 between Long Fortune Petroleum (Saskatchewan) Corporation, as Farmor, and Dawn Energy Inc., as Farnnee.

WELL REQUIREMENT SHEET

Well: _____

Copies: One of each of the following:

Provided to: Cory Wanner via email, cwanner@sasktel.net

Paul Wang via email, Paul.Wang@longfortune.ca

Pre-Drilling

Spud Notice (24 hours)
Geological Prognosis/Survey Plat
Drilling & Testing Program
Well Cost Estimate
Well License / Application
Surface Lease

During Drilling

Drilling/Geological Reports
Preliminary Core Descriptions & Fluid Analysis
Field Sample Descriptions & Mud Logs
Field Prints of all logs
Samples – Vials
DST Reports & Access to Charts
Completion of Abandonment Reports (24 hours)

Post Drilling

Application to Abandon
New Well Reports
Production Test Data
Final Prints of Logs
Final Analysis: Core, Oil, Gas & Water
DST Reports & Charts
Core and/or Sample Descriptions
Consultant Post Drilling/Completion Reports



SCHEDULE "D"

Attached to and forming part of a Farmout Agreement dated March 10, 2015 between Long Fortune Petroleum (Saskatchewan) Corporation, as Farmor, and Dawn Energy Inc., as Farnnee.

1990 C.A.P.L OPERATING PROCEDURE

I.	Insurance (Clause 311)	A <u>X</u>	B <u> </u>
II.	Marketing Fee (Clause 604)	A <u>X</u>	B <u> </u>
III.	Casing Point Election (Clause 903)	A <u>X</u>	B <u> </u>
IV.	Penalty of Independent Operations (1007)		
	1. Developmental Wells	300%	
	2. Exploratory Wells	400%	
V.	Where Well Preserves Title (Clause 1010):	60 Days;	
VI.	Disposition of Interest (Clause 2401)	A <u>X</u>	B <u> </u>
VII.	Recognition Upon Assignment (Clause 2404):	See 1993 CAPL Assignment Procedure	

1996 PASC ACCOUNTING PROCEDURE

I.	Operating Fund (Clause 105):	105%
II.	Approvals (Clause 110):	from 2 or more parties totaling 75%
III.	Expenditure Limitations:	(a) excess of \$50,000.00
		c. excess of \$50,000.00
IV.	Employee Benefits (Clause 203): (Non-compulsory: 22%)	
V.	Camp and Housing (Clause 213): B Shall not apply	
VI.	Warehouse Handling (Clause 216): N/A	
VII.	Allocation Options (Clause 221): N/A	
VIII.	Overhead Rates (Clause 302):	
	a. Exploration:	1) 5% of the first \$50,000.00 costs 2) 3% of the next \$100,000.00 costs 3) 1% of the costs exceeding the sum of 1 and 2
	b. Drilling Well:	1) 5% of the first \$50,000.00 costs 2) 3% of the next \$100,000.00 costs 3) 1% of the costs exceeding the sum of 1 and 2
	c. Construction:	1) 5% of the first \$50,000.00 costs 2) 3% of the next \$100,000.00 costs 3) 1% of the costs exceeding the sum of 1 and 2
	d. Operation & Maintenance	1) 15% of the Cost of Op. and Maintenance of the joint property; and 2) \$_____ per Producing Well per month; or 3) \$250.00 per month for producing, injection, and water source operations. Subclause e (2) and e(3) herein will not be adjusted.

IX. Pricing of Joint Material Purchases, Transfers and Dispositions (Clause IV): \$25,000.00

Except as otherwise provided for herein, the Accounting Procedure published by the Petroleum Accountants Society of Canada, 1996 (copyright) is hereby incorporated in its entirety in the Agreement and the Parties so warrant that said Accounting Procedure has been amended only to the extent set forth herein