

**AMENDING AGREEMENT**  
(Farmout and Option Agreement dated June 17, 2010)

THIS AMENDING AGREEMENT is made November 23<sup>rd</sup>, 2018.

BETWEEN:

**WHITECAP RESOURCES INC.**, a body corporate, having an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as "**Whitecap**")

-and-

**CARCAJOU RESOURCES CORP.**, a corporation incorporated under the laws of Alberta ("hereinafter referred to as "**Carcajou**")

-and-

**BASIC OIL LTD.**, a corporation incorporated under the laws of Alberta (hereinafter referred to as "**Basic**")

-and-

**KIVACORP PETROLEUM LTD.**, a corporation incorporated under the laws of Alberta (hereinafter referred to as "**Kivacorp**")

-and -

**1537974 ALBERTA LTD.**, a corporation incorporated under the laws of Alberta (hereinafter referred to as "**1537974**")

(**Whitecap, Carcajou, Basic, Kivacorp and 1537974** hereinafter collectively referred to as "**Parties**")

WHEREAS the Parties are parties, or successors in interest to parties, to that certain Farmout and Option Agreement dated June 17, 2010 originally made among Basic Oil Ltd., Carcajou Resources Corp., Danmac Resources Ltd., Kivacorp Petroleum Ltd., Purdy & Partners Inc., Radoslav Pradanovic, Alice-Marie Maughan and Capiro Exploration Ltd. (the "Agreement") as may have been amended;

AND WHEREAS the Parties desire to amend certain terms and conditions outlined in the Agreement effective January 1, 2019 ("Effective Date");



NOW THEREFORE, THIS AMENDING AGREEMENT WITNESSES THAT in consideration of the of the premises and provisions hereby stated, the Parties mutually covenant and agree as follows:

1. Defined terms contained in the Agreement shall have the same meaning in this Amending Agreement, and, in addition:

(a) **"Cantuar Wells"** means any horizontal well drilled after the Effective Date that has a minimum length of eight hundred (800) meters in the horizontal section in the Cantuar Formation on the Farmout and Option Lands; and

(b) **"Royalty Owners"** means Carcajou, Basic, Kivacorp and 1537974 and their successors and assigns.

2. On January 10, 2019 at 2:00 p.m (Calgary time) at the office of Whitecap, Whitecap shall make a one-time cash payment in the total amount of Five Hundred and Seventy-Five Thousand Canadian Dollars (\$575,000.00) ("One-Time Payment") to the Royalty Owners. The distribution of the One-Time Payment shall be made to each of the Royalty Owners as follows:

a. Carcajou =	\$208,478.84
b. Basic =	\$205,395.14
c. Kivacorp =	\$30,223.22
d. 1537974 =	\$130,902.81

3. Upon receipt and written acknowledgement by the Royalty Owners of the One-Time Payment, the Overriding Royalty and Existing Royalty will be reduced by fifty percent (50%) in the Cantuar Formation only for Cantuar Wells only.

For clarity, the Quantification of Overriding Royalty defined in Subclause 5.01A on Schedule B attached to and forming part of the Agreement is hereby amended as such applies to only Cantuar Wells and only in the Cantuar Formation as follows:

The Overriding Royalty is reduced from 13% to 6.5% based on 100% of production paid to 1537974 27.07%, Basic 27.09%, Carcajou 35.42%, Kivacorp 6.25% and Whitecap 4.17%.

For clarity, the quantification of the Existing Royalty as defined Article 8.00 of the Agreement is hereby amended as such applies to only Cantuar Wells and only in the Cantuar Formation as follows:

The Existing Royalty is reduced from 3% to 1.5% based on 100% of production and paid to Basic two thirds and Carcajou one third.

4. In the event that the One-Time Payment is not made in the manner and time



described in Clause 2 of this Amending Agreement, then this Amending Agreement shall terminate.

5. In the event that an applicable tax authority makes a demand for payment of GST or PST related to the One-Time Payment, then Whitecap shall be liable for such payment and shall immediately make such payment to satisfy the applicable tax authority at the sole risk, cost and expense of Whitecap.

6. Whitecap shall, on or before December 31, 2019 drill a minimum of three (3) Cantuar Wells ("First Three Wells").

7. Whitecap shall, on or before December 31, 2020, drill an additional two (2) Cantuar Wells ("Second Two Wells").

8. In the event that Western Canadian Select ("WCS") pricing drops below \$30 CDN/bbl for sixty (60) consecutive days in 2020, Whitecap will be provided a one-time extension to complete the drilling of the Second Two Wells until March 31, 2021.

9. In the event Whitecap fails to drill any or all of the First Three Wells and the Second Two Wells within the time allotted in Clause 6 and 7 (and Clause 8 if applicable) of this Amending Agreement, then Whitecap acknowledges and agrees that the Royalty Owners shall suffer damages in the amount of Three Hundred Thousand Canadian Dollars (\$300,000.00) per Cantuar Well not drilled in accordance with this Amending Agreement. Such sum shall be paid to the Royalty Owners by Whitecap within thirty (30) days of written notice from any Royalty Owner to Whitecap. The Parties acknowledge and agree that in the event a payment is made in accordance with the terms and conditions of Clause 9 hereto that such payment will be made in lieu of drilling a Cantuar Well and satisfy the drill commitment for that Cantuar Well as contemplated in Clause 6 or 7. In the event Whitecap fails to make payment subject to Clause 9 hereto the Overriding Royalty and Existing Royalty on all future Cantuar Wells will revert back to the original rates described in the Agreement and the Royalty Owners will have the right to claim damages. The right to claim under this Clause shall not exceed the remaining damages per Cantuar Well not drilled in accordance with Clause 6 and 7. The distribution of any payments made to the Royalty Owners by Whitecap pursuant to this Clause 9 shall be paid by cheque to the Royalty Owners in the following percentages:

a. Carcajou = 36.26%

b. Basic = 35.72%

c. Kivacorp = 5.25%

d. 1537974 = 22.77%

10. Time shall be of the essence in this Amending Agreement.



11. It is expressly agreed and understood that this Amending Agreement is an amending agreement only, and, except as otherwise provided for herein, the terms, conditions and provisions of the Agreement shall remain in full force and effect. The Parties hereby agree that the Agreement is amended to the extent necessary to give force and effect to this Amending Agreement and that the Agreement is ratified, approved and confirmed as so amended.

12. This Amending Agreement may be executed in separate counterparts and all executed counterpart pages taken together shall constitute one and the same Amending Agreement.

13. Time shall be of the essence in this Amending Agreement.

IT WITNESS WHEREOF the parties have executed this Amending Agreement as of the date first written above.

**WHITECAP RESOURCES INC.**

Per: 

Dan Cicero

Senior Landman

**CARCAJOU RESOURCES CORP.**

Per: \_\_\_\_\_

**BASIC OIL LTD.**

Per: \_\_\_\_\_

**KIVACORP PETROLEUM LTD.**

Per: \_\_\_\_\_

**1537974 ALBERTA LTD.**

Per: \_\_\_\_\_

*This is a counterpart execution page to an Amending Agreement dated January 1, 2019 made between Whitecap Resources Inc., Carcajou Resources Corp., Basic Oil Ltd., Kivacorp Petroleum Ltd. and 1537974 Alberta Ltd.*



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