



101091127 SASKATCHEWAN LTD.

FEE TITLE & ROYALTY DIVESTITURE

101091127 **Saskatchewan Ltd.**

OVERVIEW **INFORMATION**

Bid Deadline: 12:00 pm April 6, 2023

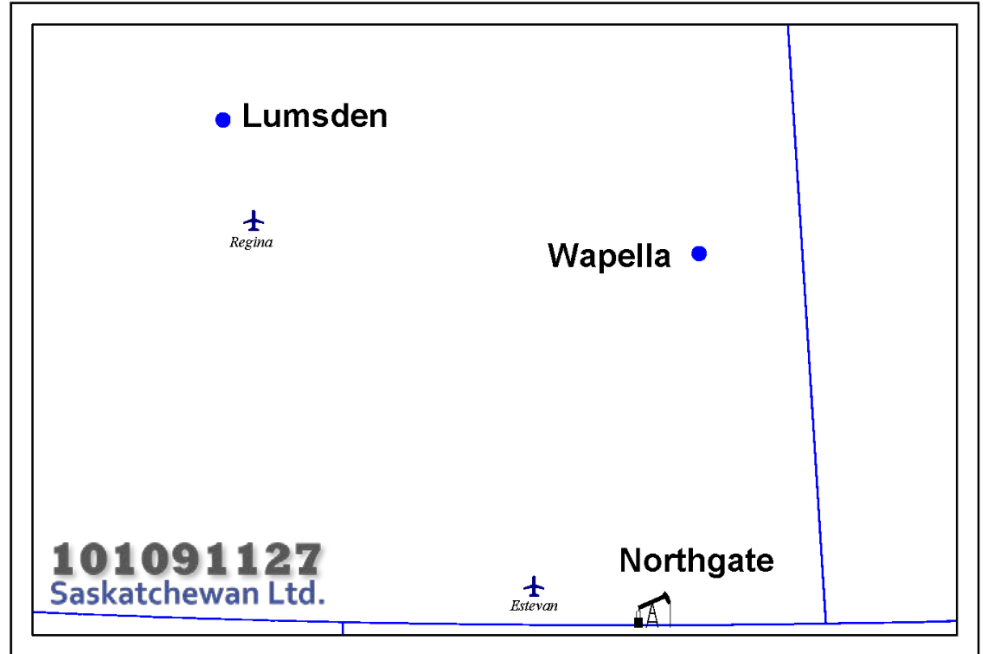
**Fee Title & Royalty Interest Divestiture:
Southeastern Saskatchewan
34 bbl/d, 63 Mcf/d (45 boe/d)**

101091127
Saskatchewan Ltd.

101091127 Saskatchewan Ltd. ("101091127" or the "Company") has engaged **Sayer Energy Advisors** to assist the Company with the sale of its Fee Title and lessor royalty interests.

The Company's interests are located in the *Northgate*, *Wapella* and *Lumsden* areas of southeastern Saskatchewan (the "Properties").

Average daily royalty production net to 101091127 from the Properties for the quarter ended December 31, 2022 was approximately 45 boe/d, consisting of 34 barrels of oil and natural gas liquids and 63 Mcf/d of natural gas.



Royalty income net to 101091127 from the Properties for the quarter ended December 31, 2022 was approximately \$350,000, or \$1.4 million on an annualized basis.

PROCESS & TIMELINE

Sayer Energy Advisors is accepting cash offers to acquire the Properties until **12:00 pm on Thursday April 6, 2023**.

Timeline		
Week of February 27, 2023		Preliminary Information Distributed
Week of February 27, 2023		Data Room Opens
April 6, 2023	12:00 noon	Bid Deadline
April 1, 2023		Effective Date
May 2023		Closing Date

Sayer Energy Advisors does not conduct a "second-round" bidding process; the intention is to attempt to conclude a transaction(s) with the party(ies) submitting the most acceptable proposal(s) at the conclusion of the process.

Sayer Energy Advisors is accepting cash offers from interested parties until noon on Thursday April 6, 2023.

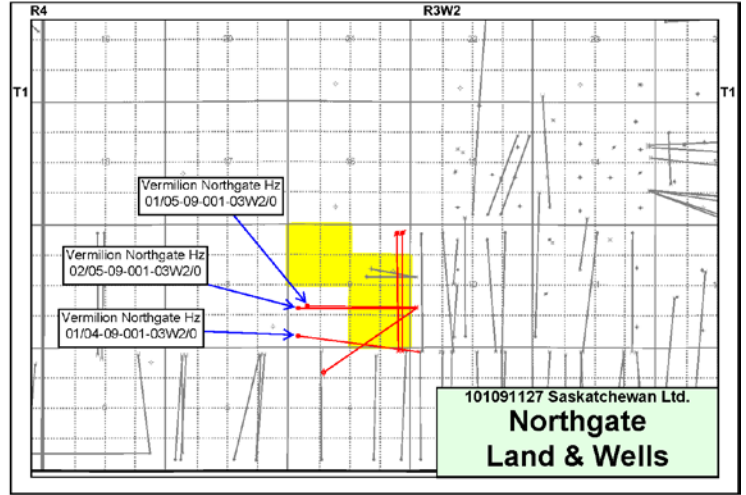


Northgate Property

Township 1, Range 3 W2

At *Northgate*, the Company holds Fee Simple Titles to a 2/3 interest in all mines and minerals in 10 LSDs of land, namely; the SE quarter of Section 09-001-03W2, the northwest quarter of Section 09-001-03W2, LSD 9 of Section 09-001-03W2 and LSD 10 of Section 09-001-03W2 (the "Section 9 Lands").

The Section 9 Lands are leased to **Vermilion Energy Inc.** The Company has a lessor royalty rate of 18% (clear of deductions) applicable to the Section 9 lands on which there are several oil wells producing from the Midale and Frobisher formations. Vermilion drilled three wells on the Section 9 Lands from November 2021 through August 2022. The Company has pooling agreements in place with Vermilion for the three wells on the Section 9 Lands.



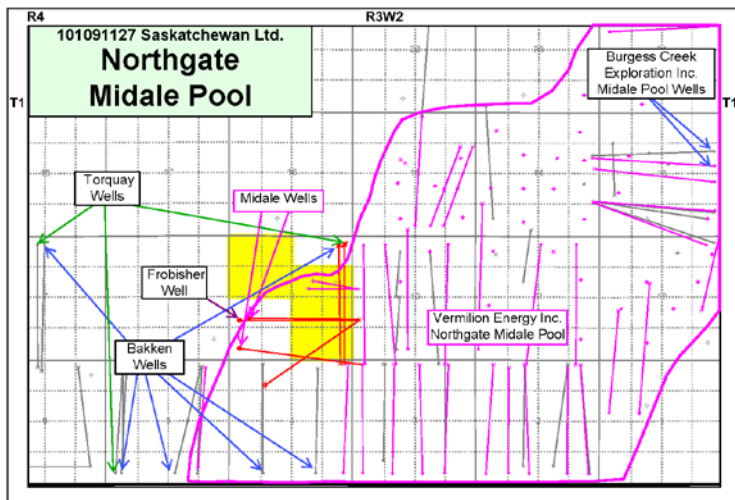
Average daily royalty production net to 101091127 from *Northgate* for the quarter ended December 2022 was approximately 45 boe/d, consisting of 34 barrels of oil and natural gas liquids and 63 Mcf/d of natural gas.

Royalty income net to 101091127 from *Northgate* for the quarter ended December 31, 2022 was approximately \$350,000, or \$1.4 million on an annualized basis.

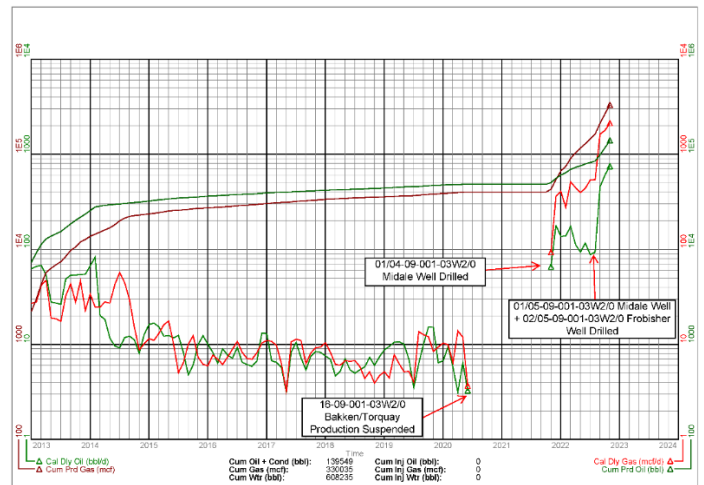
There are two additional wells on the Company's land at 91/16-09-001-03W2 and 92/16-09-001-03W2 which produced from the Bakken and Torquay formations prior to being shut-in in June 2020.

The leases on the Section 9 Lands contain a clause providing for shallow and deep rights reversion to the Company, along with other conditions noted on the addendums attached to the leases. The Bakken and Torquay rights will be available for lease in April 2023 and the undeveloped Midale and Frobisher rights would be available for lease in April 2024 if no further wells are drilled.

Vermilion operates several wells in the Northgate Midale Pool offsetting the Company's Section 9 Lands at *Northgate*, as shown on the following plat. Additional production in the area is from the Torquay and Frobisher formations. The three wells on the Company's Section 9 Lands at 01/04-09-001-03W2, 01/05-09-001-03W2 and 02/05-09-001-03W2 are the most recent wells drilled in the area.



Northgate, SK - Gross Production Group Plot





Additional Fee Title Lands

The Company owns the following Fee Title lands in Saskatchewan which are not currently leased.

Wapella Property

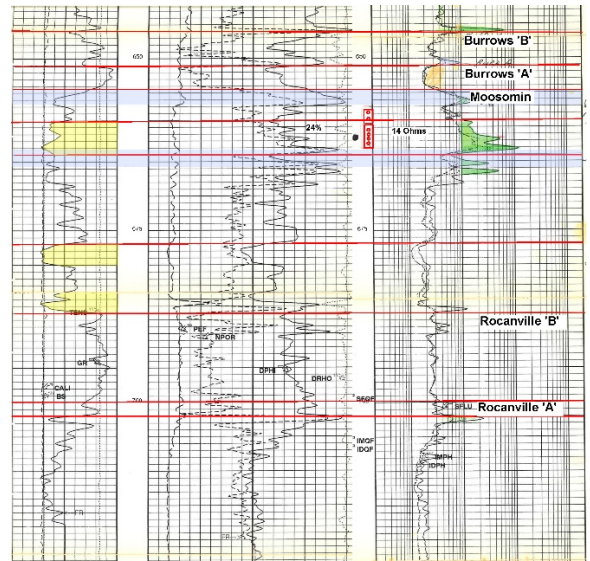
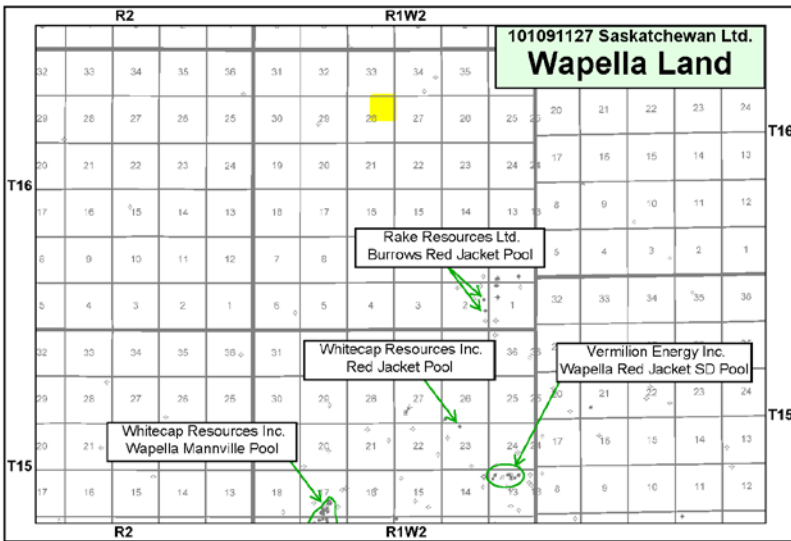
Township 16, Range 1 W2

In the *Wapella* area, 101091127 holds an undivided 1/2 interest in all mines and minerals in the northeast quarter of Section 28-016-01W2.

Offsetting the Company's lands at *Wapella*, several operators, including **Rake Resources Ltd.**, Vermilion, and **Whitecap Resources Inc.** have offsetting oil and natural gas production from the Red Jacket (Shaunavon) and Mannville formations, as shown on the following map.

The following logs from the well *Rake Burrows 41/08-02-16-01W2/0* show the Rocanville, Moosomin and Burrows members of the Red Jacket Formation in southeastern Saskatchewan. The Red Jacket is the lateral equivalent to the Upper Shaunavon Formation.

Rake Burrows 41/08-02-16-01W2/0 – Type Log



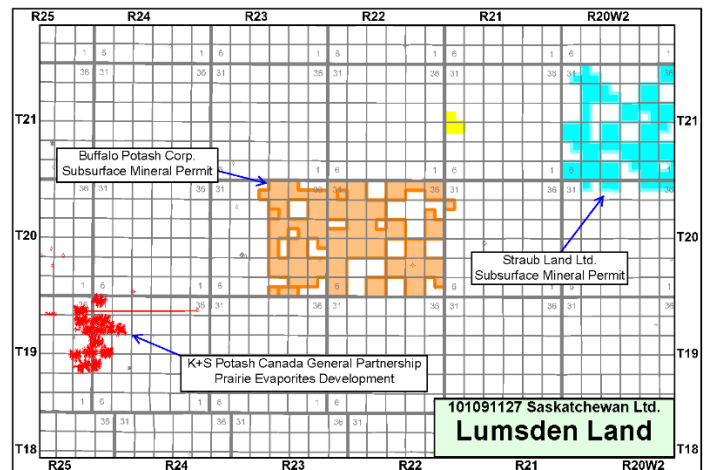
Lumsden Property

Township 21, Range 21 W2

At *Lumsden*, 101091127 holds an undivided 1/2 interest in all mines and minerals in the north half of Section 18-021-21W2 and the southwest quarter of Section 19-021-21W2.

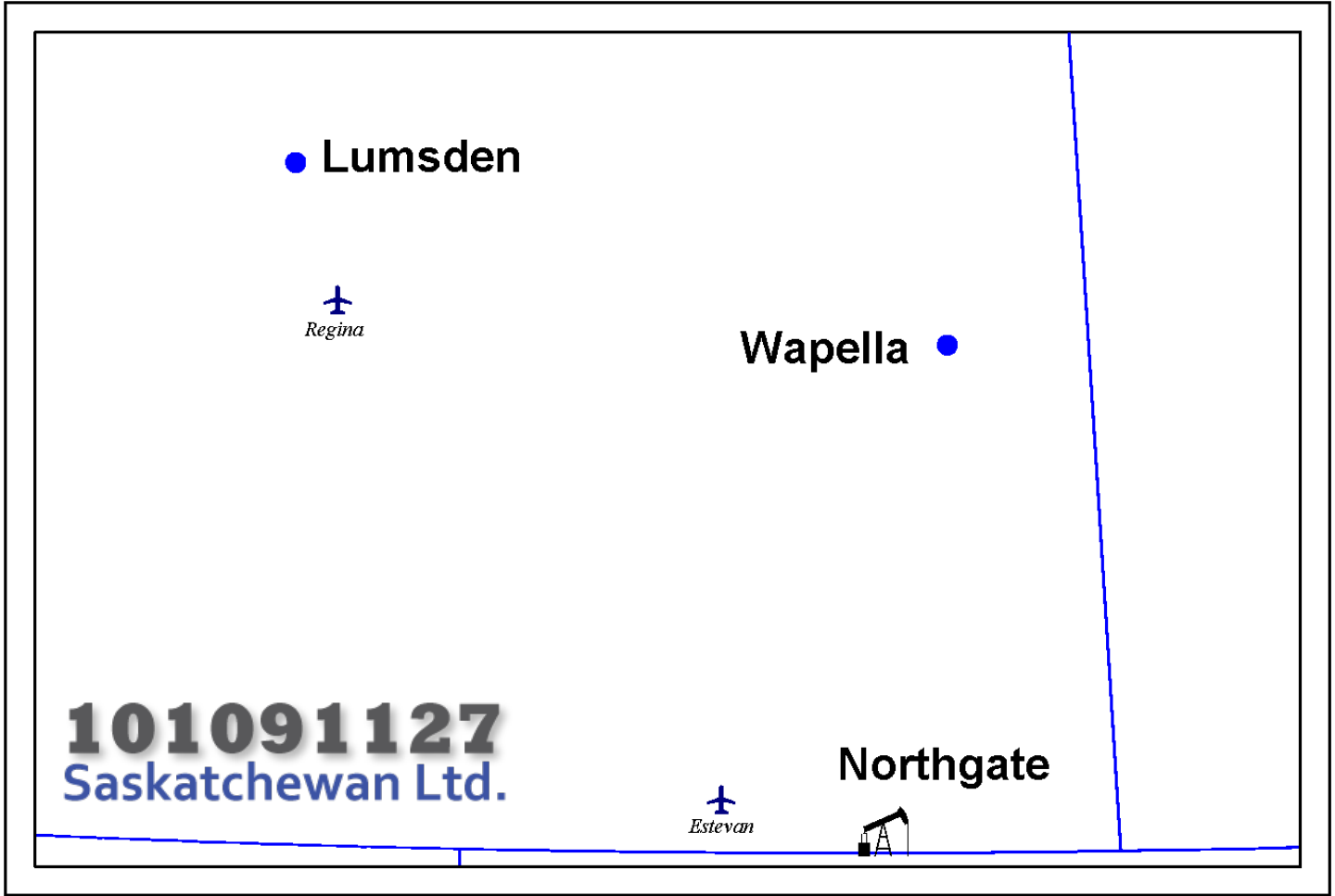
The Company's land at *Lumsden* is adjacent to Last Mountain Lake, and offsetting potash production at **K+S Potash Canada's** Bethune Mine, and is prospective for potash and other brine potential.

Several companies, including **Buffalo Potash Corp.** and K+S have subsurface mineral permits for the production of potash in the Prairie Evaporite Formation nearby.





101091127 Saskatchewan Ltd. Winter 2023 Fee Title & Royalty Divestiture



CONTACT

Parties wishing to receive access to the confidential information with detailed information relating to this opportunity should execute the confidentiality agreement which is available on Sayer Energy Advisors' website (www.sayeradvisors.com) and return one copy to Sayer Energy Advisors by courier, email (brye@sayeradvisors.com) or fax (403.266.4467).

Included in the confidential information is the following: summary land information, lease and pooling agreements, most recent net royalty income statements and other relevant technical information.

To receive further information on the Properties or to schedule a visit to the Data Room, which is situated at Sayer's office, please contact Ben Rye, Tom Pavic or Grazina Palmer at 403.266.6133.





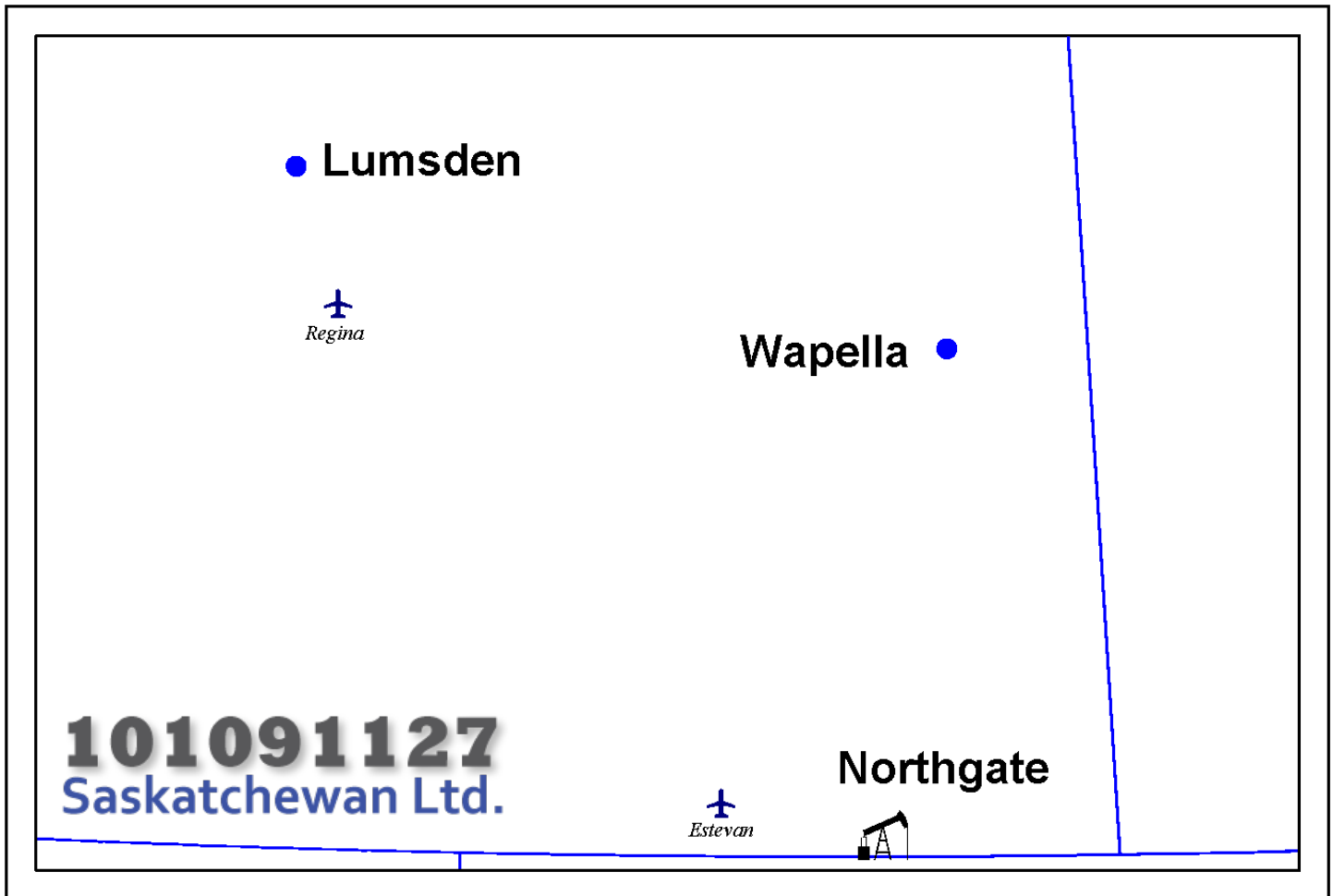
Overview

101091127 Saskatchewan Ltd. (“101091127” or the “Company”) has engaged **Sayer Energy Advisors** to assist the Company with the sale of its Fee Title and lessor royalty interests located in the *Northgate, Wapella* and *Lumsden* areas of southeastern Saskatchewan (the “Properties”).

Average daily royalty production net to 101091127 from the Properties for the quarter ended December 2022 was approximately 45 boe/d, consisting of 34 barrels of oil and natural gas liquids and 63 Mcf/d of natural gas.

Royalty income net to 101091127 from the Properties for the quarter ended December 31, 2022 was approximately \$350,000, or \$1.4 million on an annualized basis.

Overview Map Showing the Location of the Divestiture Properties





Northgate Property

Township 1, Range 3 W2

At *Northgate*, the Company holds Fee Simple Titles to a 2/3 interest in all mines and minerals in 10 LSDs of land, namely; the SE quarter of Section 09-001-03W2, the northwest quarter of Section 09-001-03W2, LSD 9 of Section 09-001-03W2 and LSD 10 of Section 09-001-03W2 (the “Section 9 Lands”).

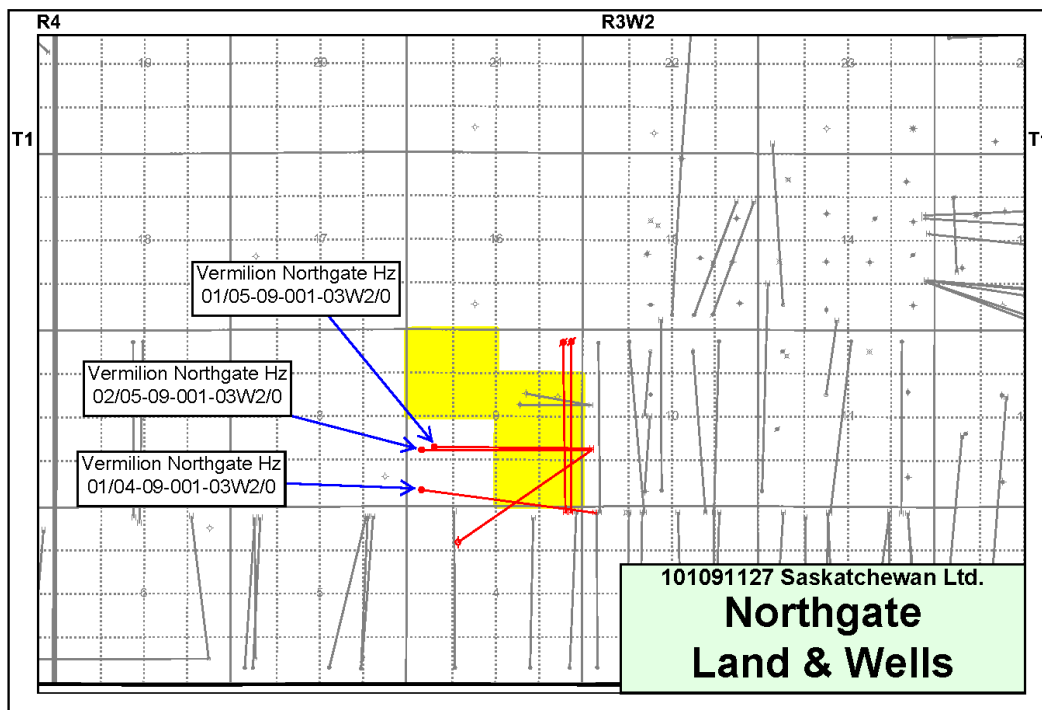
The Section 9 Lands are leased to **Vermilion Energy Inc.** The Company has a lessor royalty rate of 18% (clear of deductions) applicable to the Section 9 lands on which there are several oil wells producing from the Midale and Frobisher formations. Vermilion drilled three wells on the Section 9 Lands from November 2021 through August 2022. The Company has pooling agreements in place with Vermilion for the three wells on the Section 9 Lands.

Average daily royalty production net to 101091127 from *Northgate* for the quarter ended December 2022 was approximately 45 boe/d, consisting of 34 barrels of oil and natural gas liquids and 63 Mcf/d of natural gas.

Royalty income net to 101091127 from *Northgate* for the quarter ended December 31, 2022 was approximately \$350,000, or \$1.4 million on an annualized basis.

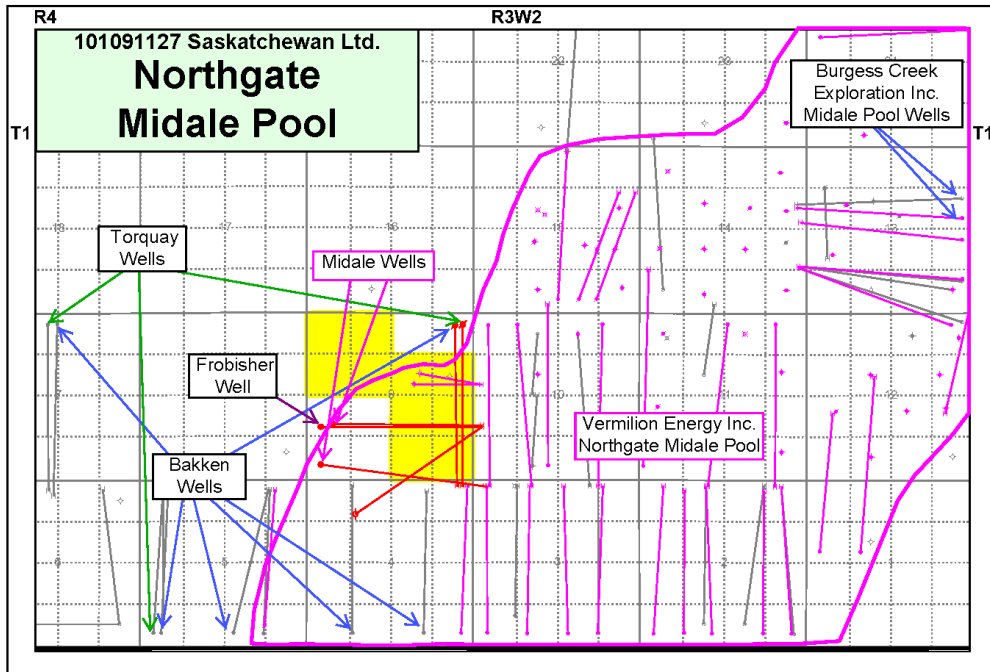
There are two additional wells on the Company’s land at 91/16-09-001-03W2 and 92/16-09-001-03W2 which produced from the Bakken and Torquay formations prior to being shut-in in June 2020.

The leases on the Section 9 Lands contain a clause providing for shallow and deep rights reversion to the Company, along with other conditions noted on the addendums attached to the leases. The Bakken and Torquay rights will be available for lease in April 2023 and the undeveloped Midale and Frobisher rights would be available for lease in April 2024 if no further wells are drilled.



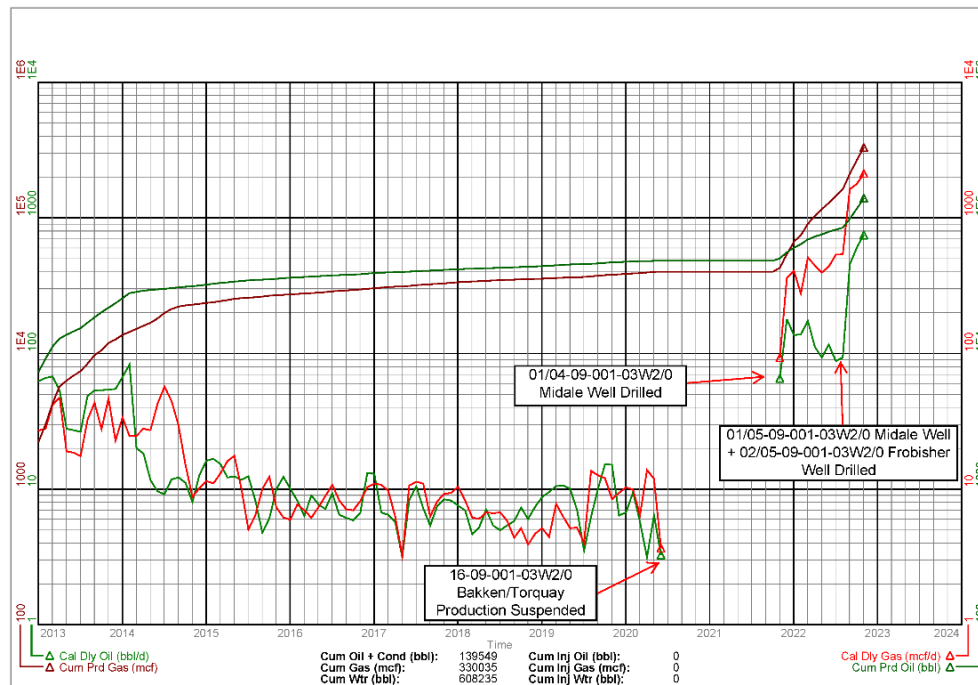


Vermilion operates several wells in the Northgate Midale Pool offsetting the Company's Section 9 Lands at *Northgate*, as shown on the following plat. Additional production in the area is from the Torquay and Frobisher formations.



The three wells on the Company's Section 9 Lands at 01/04-09-001-03W2, 01/05-09-001-03W2 and 02/05-09-001-03W2 are the most recent wells drilled in the area.

Northgate, Saskatchewan Gross Production Group Plot of 101091127's Oil & Natural Gas Royalty Interest Wells





Northgate LMR

The Company does not operate any wells or facilities related to the Properties.

Northgate Reserves

The Company does not have a reserve evaluation related to the Properties.

Northgate Facilities

101091127 does not have an interest in any facilities related to the Properties.

Northgate Well List

See well list in Excel.





Additional Fee Title Lands

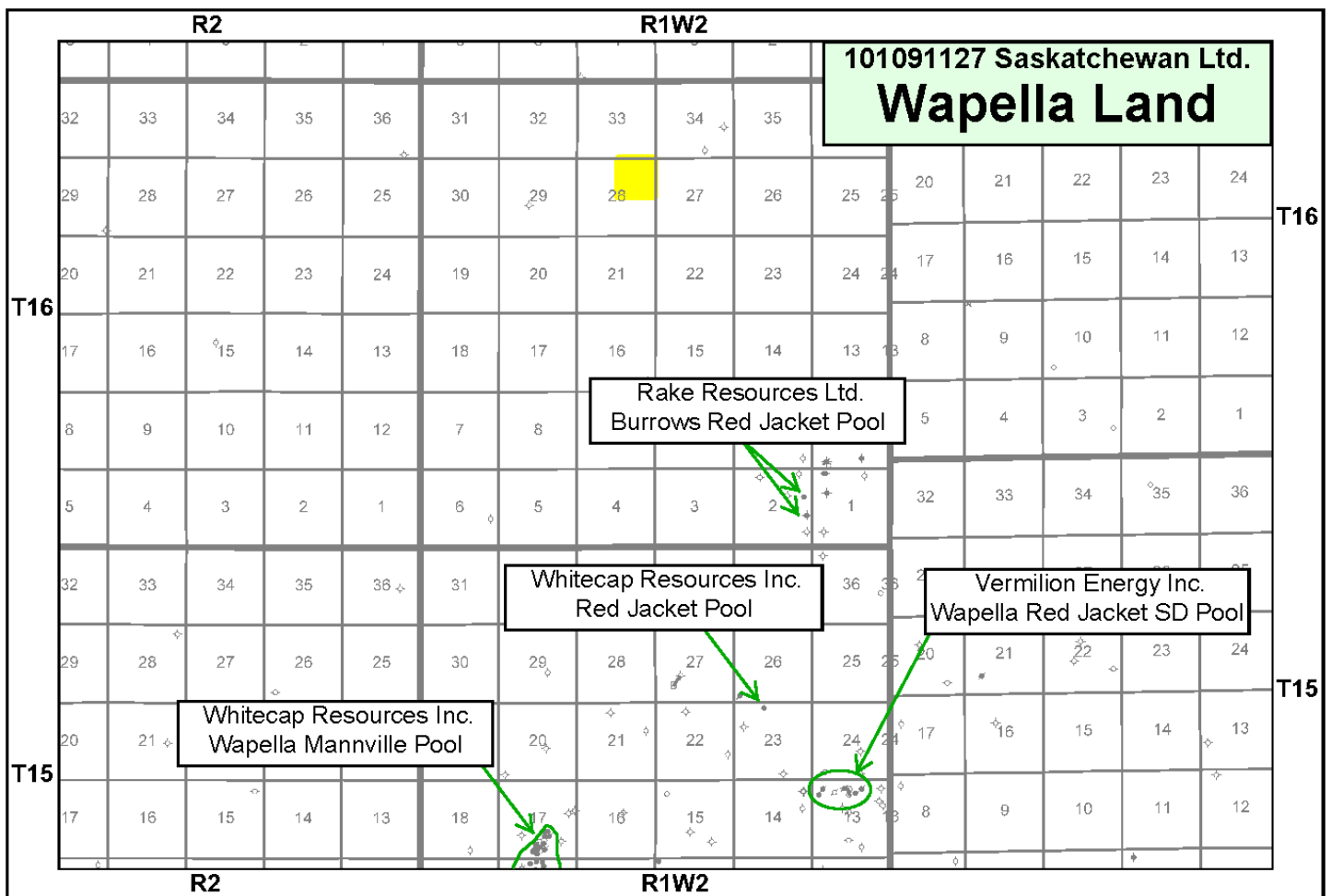
The Company owns the following Fee Title lands in Saskatchewan which are not currently leased.

Wapella Property

Township 16, Range 1 W2

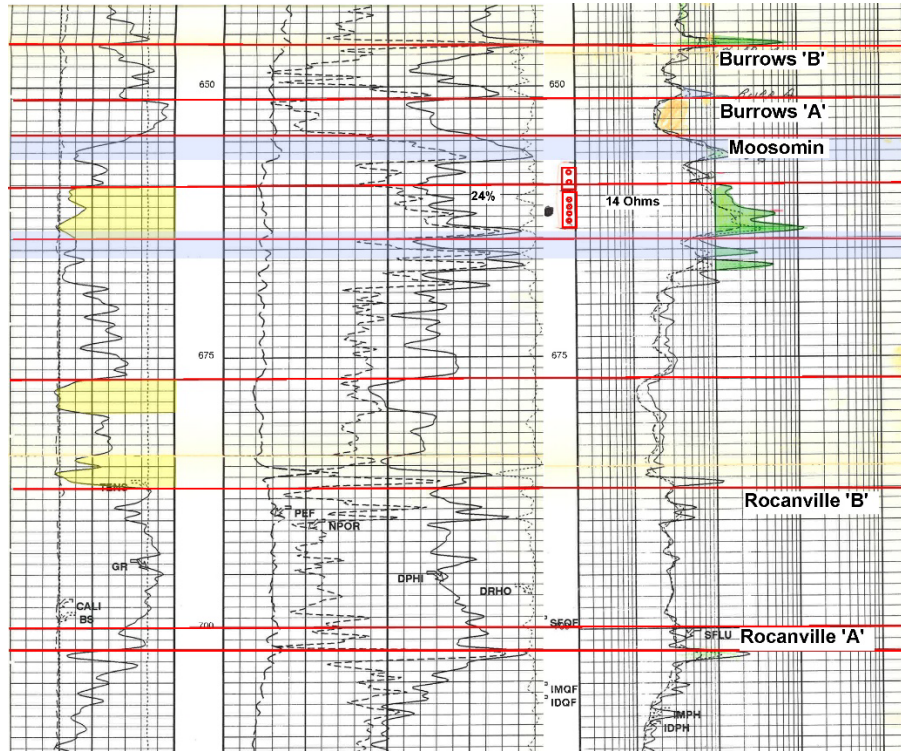
In the *Wapella* area, 101091127 holds an undivided 1/2 interest in all mines and minerals in the northeast quarter of Section 28-016-01W2.

Offsetting the Company's lands at *Wapella*, several operators, including **Rake Resources Ltd.**, Vermilion, and **Whitecap Resources Inc.** have offsetting oil and natural gas production from the Red Jacket (Shaunavon) and Mannville formations, as shown on the following map.

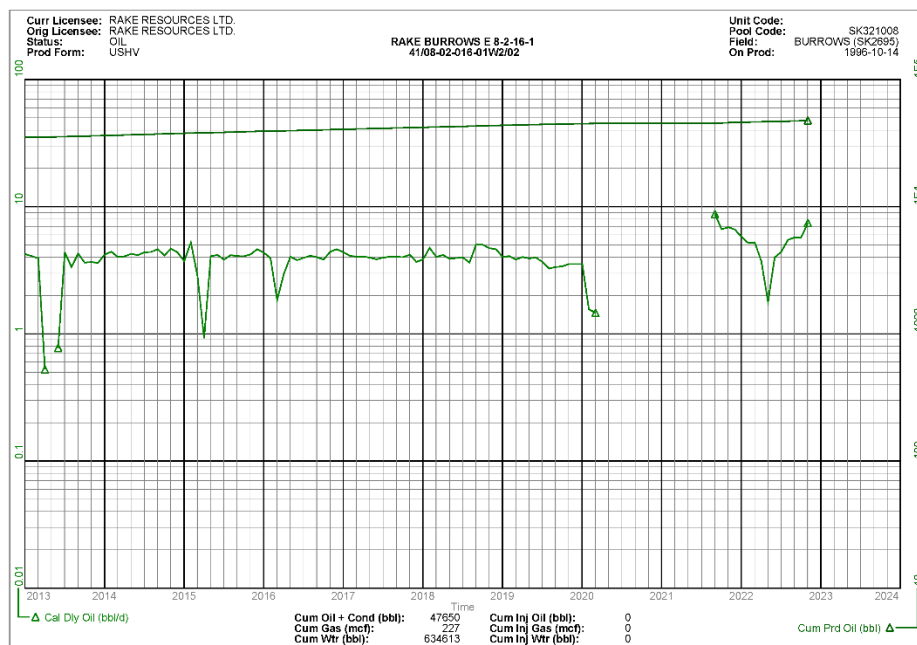




The following logs from the well *Rake Burrows 41/08-02-16-01W2/0* show the Rocanville, Moosomin and Burrows members of the Red Jacket Formation in southeastern Saskatchewan. The Red Jacket is the lateral equivalent to the Upper Shaunavon Formation. Nomenclature changes are due to Lithofacies changes in these units which make it difficult to correlate the Shaunavon Formation and the upper member of the Gravelbourg Formation into southeastern Saskatchewan.



The well *Rake Burrows E 41/08-02-016-01W2/02* is producing from the Red Jacket Formation at a rate of approximately seven barrels of oil per day.





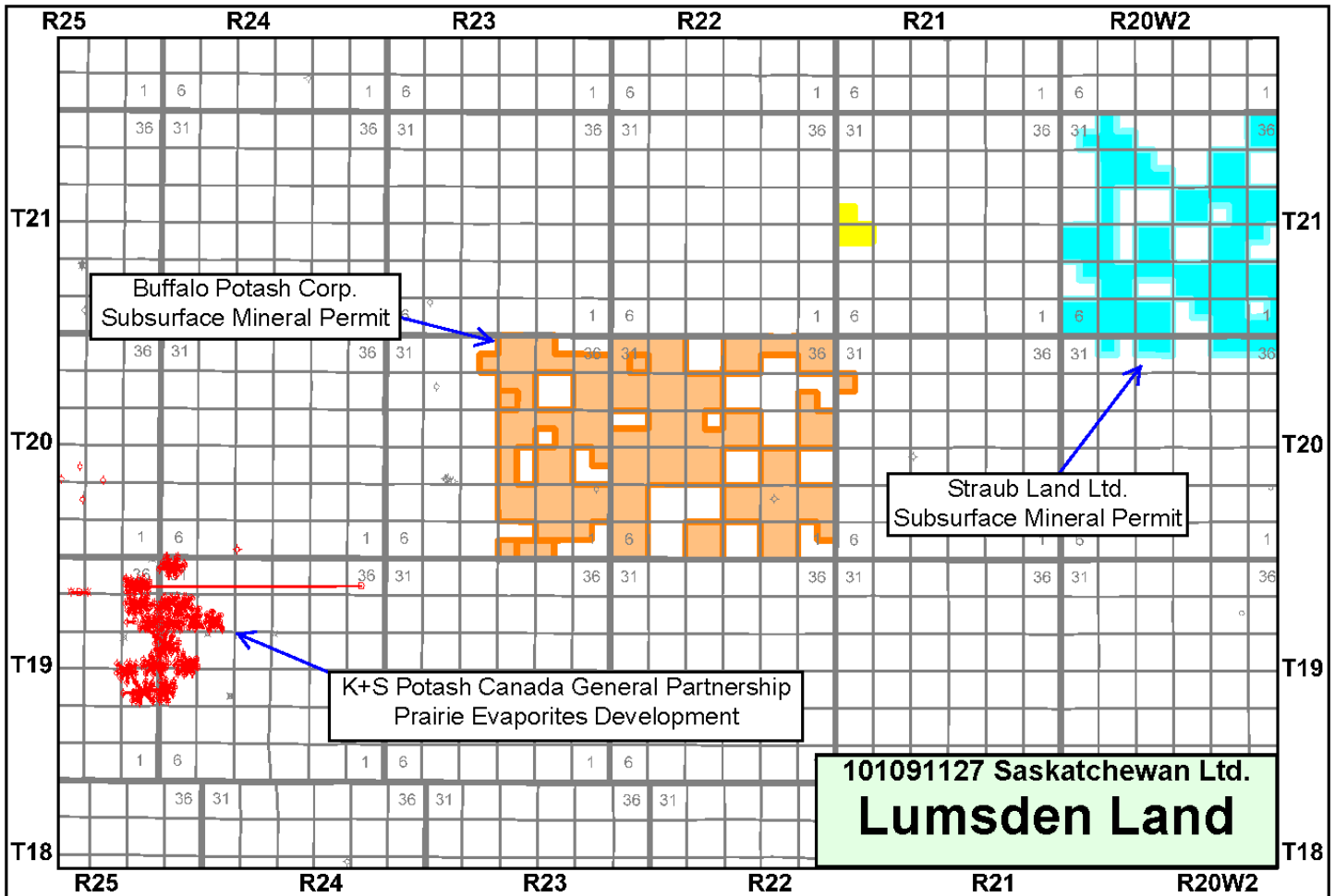
Lumsden Property

Township 21, Range 21 W2

At *Lumsden*, 101091127 holds an undivided 1/2 interest in all mines and minerals in the north half of Section 18-021-21W2 and the southwest quarter of Section 19-021-21W2.

The Company's land at *Lumsden* is adjacent to Last Mountain Lake, and offsetting potash production at **K+S Potash Canada's** Bethune Mine, and is prospective for potash and other brine potential.

Several companies, including **Buffalo Potash Corp.** and K+S have subsurface mineral permits for the production of potash in the Prairie Evaporite Formation nearby.



RECIPIENT COMPANY LETTERHEAD

_____, 20____

**101091127 Saskatchewan Ltd.
c/o Sayer Energy Advisors
1620, 540 - 5th Avenue SW
Calgary, Alberta T2P 0M2**

Attention: Ben Rye

Re: **Confidentiality Agreement
Non-Core Property Divestiture**

_____ (“Recipient”) has expressed an interest in the purchase of certain oil and natural gas interests owned by 101091127 Saskatchewan Ltd. (“101091127”) in the Northgate, Wapella and Lumsden areas of Saskatchewan (the “Properties”). 101091127 is prepared to provide the Recipient access to certain information relating to the Properties, including but not limited to land schedules, financial results, marketing materials, geological and geophysical information and other documentation (“Confidential Information”). In consideration of 101091127 providing the Confidential Information, Recipient agrees as follows:

1. Recipient acknowledges that all Confidential Information provided to Recipient is proprietary to 101091127 and its joint venture partners except for Confidential Information which is set out and described in Clause 5.
2. The Confidential Information shall be kept in the strictest of confidence and shall not be used for any purpose whatsoever other than evaluating a possible transaction between Recipient and 101091127. The Confidential Information shall not be disclosed to any person other than Recipient and to such of its directors, employees, agents, consultants, representatives and advisors (the “Representatives”) who have a need to know such information for the purpose of appraising the Properties. Recipient shall take all steps that are necessary to ensure that its Representatives are aware of the terms and conditions of this Agreement and that such terms and conditions are binding upon any and all of its Representatives. Upon request, Recipient shall provide 101091127 with a list of the Representatives who have received the Confidential Information.
3. Recipient agrees that it and its Representatives shall not disclose to any person or publish or disperse in any form, any terms, conditions or other facts with respect to any possible transaction relating to the Properties for which the Confidential Information was disclosed.
4. Notwithstanding the foregoing terms, Recipient shall be permitted to disclose such Confidential Information that is required to be disclosed pursuant to any law, rule or regulation. In the event that Recipient receives a request or legal directive to disclose Confidential Information, Recipient shall promptly provide written and verbal notification to 101091127 of such a request. Recipient shall consult with 101091127 on the advisability of taking steps to resist or narrow such request or directive. If disclosure is deemed advisable, Recipient shall cooperate with 101091127 in any attempt that 101091127 may make to obtain an order or other reliable assurance that confidential treatment will be accorded by the requesting or directing party to the information required to be disclosed.

5. The restrictions set forth in Clauses 2 and 3 above shall not apply to any part of the Confidential Information which is:
 - (a) now in the public domain or becomes part of the public domain other than through an act of the Recipient or its Representatives; or
 - (b) in the lawful possession of the Recipient prior to its disclosure by 101091127; or
 - (c) subject to disclosure required by law, rule or regulation provided that 101091127 is given notice pursuant to Clause 4 prior to such disclosure; or
 - (d) made available to the Recipient or its Representatives from a source who may reasonably be believed to legally hold such information and who is not bound to 101091127 under a confidentiality agreement.

6. Recipient acknowledges the competitive value of the Confidential Information. Accordingly, without limitation and in addition to any rights of 101091127 and its joint venture partners against the Recipient arising by any breach hereof, the Recipient shall:
 - (a) be liable to 101091127 for all losses, costs, damages and expenses whatsoever which they may suffer, sustain, pay or incur; and in addition,
 - (b) indemnify 101091127 against any and all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by 101091127 or which 101091127 may suffer, sustain, pay or incur;resulting from disclosure by the Recipient, or its Representatives, of all or any part or parts of the Confidential Information.

7. At any time, at the request of 101091127, Recipient shall immediately return or cause to be returned to 101091127 all of the Confidential Information which may have been released to the Recipient. Recipient shall not retain any copies or other reproductions or extracts of the Confidential Information. Furthermore, Recipient shall, if so requested by 101091127, provide certification from an officer of the Recipient to 101091127 that the terms and conditions of this Clause have been complied with. The Recipient will return all requested Confidential Information except to the extent that computer systems are back-up or archived. The Recipient will be able to retain a copy of any analysis of Confidential Information in respect to a possible transaction with 101091127 for any internal management and/or board of directors recommendations or approvals.

8. Recipient understands and agrees that no contract or agreement providing for the sale of the Properties shall be deemed to exist between the Recipient and 101091127 unless and until a definitive offer to purchase has been accepted in writing by 101091127. For greater clarity the Recipient acknowledges that this Agreement does not constitute a definitive offer to purchase. Recipient hereby waives, in advance, any claims (including, without limitation, breach of contract) in connection with the sale of the Properties unless and until a definitive offer to purchase from Recipient has been accepted in writing by 101091127.

9. This Confidentiality Agreement shall remain in force for a period of one year from the date hereof, or until such time as all of the Confidential Information becomes part of the public domain through conventional processes and through no violation of this Agreement, whichever comes first.

10. Recipient understands that in providing access to the Confidential Information, 101091127 makes no representation or warranty as to the accuracy or completeness of the Confidential Information. Recipient agrees that neither 101091127 nor anyone representing 101091127 shall have any liability to the Recipient or any of its Representatives as a result of the use of the information by it or its Representatives.
11. This Agreement shall be construed and determined according to the laws of the Province of Alberta.
12. Recipient acknowledges and agrees that 101091127 may be irreparably injured by a breach of this Confidentiality Agreement that could not be adequately compensated for by damages. 101091127 and its joint venture partners shall be entitled to equitable relief, including injunctive relief and specific performance, in the event of a breach of any of the provisions of this Confidentiality Agreement. Such remedies shall be in addition to all other remedies available at law or in equity.
13. Recipient understands and agrees that:
 - (a) 101091127 shall be free to conduct the process for the sale of the Properties in its sole discretion and shall determine, without limitation, the course and nature of negotiations with any prospective buyer and the acceptance of a definitive offer to purchase without prior notice to the Recipient, its Representatives or any other person or corporate entity; and
 - (b) Recipient shall not have any claims whatsoever against 101091127 or any of its directors, officers, stockholders, owners, affiliates, representatives, advisors or agents arising out of or relating to the sale of the Properties other than as a party to a definitive offer to purchase accepted in writing by 101091127 and then only against 101091127 and in accordance with the terms of said offer to purchase.
14. Recipient hereby acknowledges that it is aware and that it will advise its Representatives privy to the Confidential Information that applicable security laws prohibit any person who has received from an issuer material, non-public information concerning the matters which are the subject of this Agreement from purchasing or selling securities of such issuer or from communicating such information to any other person, under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.
15. Recipient shall not initiate or arrange, directly or indirectly, or maintain contact regarding 101091127's business operations, prospects or finances (except as contemplated herein and for those contacts made in the ordinary course of business unrelated to the possible transaction) with any officer, director, employee, consultant or other representative of 101091127, or with any customer, supplier, sales representative, or competitor of 101091127 except with the express written permission of 101091127. Any such permission granted by 101091127 may be revoked at any time.
16. If any provision of this agreement is wholly or partially unenforceable for any reason, such unenforceability shall not affect the enforceability of the balance of this Confidentiality Agreement.
17. This Confidentiality Agreement shall be binding upon, and enure to the benefit of, the parties hereto, and their respective successors and permitted assigns.

The Recipient accepts the Confidential Information to be provided relating to the Properties subject to the terms and conditions set forth in this Confidentiality Agreement.

Yours truly,

COMPANY NAME

OFFICER'S SIGNATURE

OFFICER'S PRINTED NAME & TITLE

I certify that no changes have been made to this Confidentiality Agreement that have not been clearly marked and initialed.

CONFIDENTIAL INFORMATION DELIVERY OPTIONS: *(please check one)*

_____ **Electronic** or _____ **Hard copy (binder)**

NAME OF CONTACT PERSON TO FORWARD INFORMATION

CONTACT ADDRESS

TELEPHONE NUMBER

EMAIL ADDRESS

Option to Attach Business Card Here:

Accepted by 101091127 Saskatchewan Ltd. this ____ day of _____, 20__

Dwayne Anderson
Director