

## AGENCY AGREEMENT

Effective as of June 24, 2022

Trillion Energy International Inc.  
Suite 700, 838 West Hastings Street  
Vancouver, BC, V6C 0A6

**Attention: Mr. Arthur Halleran**  
**President and Chief Executive Officer**

Dear Sir:

**Re: Offering of Units of Trillion Energy International Inc. (the "Offering")**

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Echelon Wealth Partners Inc. (the "**Lead Agent**") and Research Capital Corporation (together with the Lead Agent, the "**Agents**") understands that Trillion Energy International Inc. (the "**Corporation**") proposes to issue and sell an aggregate of up to 64,516,000 units of the Corporation (the "**Units**") at a price of \$0.31 per Unit. Each Unit will consist of one common share (a "**Common Share**") of the Corporation (a "**Unit Share**") and one half of one Common Share purchase warrant of the Corporation (each whole such warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire, subject to adjustment in accordance with the Warrant Indenture (as defined herein), one Common Share (each, a "**Warrant Share**") at an exercise price of \$0.50 per Warrant Share at any time prior to 5:00 p.m. (Vancouver time) on the date that is thirty-six (36) months following the Closing Date (as defined herein). The Warrants will be governed by the Warrant Indenture to be entered into on or before the Closing Date between the Corporation and the Warrant Agent (as defined herein). The Unit Shares and the Warrants are hereinafter referred to collectively as the "**Offered Securities**".

We also understand that the Corporation will prepare and file, in accordance with the terms hereof, the Prospectus (as defined herein) and all other necessary documents in order to qualify the distribution of the Offered Securities in each of the Qualifying Provinces (as defined herein).

Upon and subject to the terms and conditions contained in this Agreement, the Agents hereby agree to act as, and the Corporation hereby appoints the Agents as, its exclusive agents to offer the Units for sale, on a commercially reasonable efforts basis in the Qualifying Provinces at a price of \$0.31 per Unit for aggregate consideration of up to \$19,999,960.00, provided that the Agents shall be under no obligation to purchase any of such Units as principal.

The Agents will receive broker warrants ("**Broker Warrants**") as set out in Section 9 hereof. Each Broker Warrant will be exercisable to purchase one unit of the Corporation on the same terms as the Units at a price of \$0.31 per unit for a period of 36 months following the Closing Date.

The Corporation hereby grants to the Agents an option (the "**Agents' Option**") allowing the Agents to purchase, at the Agents' election, up to that number of Units that is equal to 15.0% of the total number of Offered Securities sold pursuant to the Offering at a price of \$0.31 per Unit (the "**Over-Allotment Units**"). The Agents' Option is exercisable in whole or in part in the sole discretion of the Lead Agent at any time up to 30 days after the Closing Date. Unless the context otherwise requires, in this Agreement all references to the "Offered Securities" shall include any securities distributed by the Corporation pursuant to the Agents' Option.

The Units and Offered Securities offered and sold in the United States (as defined herein) and to, or for the account or benefit of, U.S. Persons (as defined herein), pursuant to Schedule "A" to this Agreement, shall be offered by the Agents, through their U.S. Affiliates (as defined herein), for sale directly by the Corporation to purchasers designated by the Agents, in transactions in accordance with said Schedule "A", which forms part of this Agreement. In connection with the Offering, the Agents shall be entitled to retain as sub-agents other registered securities dealers and may receive (for delivery to the Corporation at the Closing Time (as defined herein)) subscriptions for Offered Securities from other registered securities dealers. The fee payable to such sub-agents shall be for the account of the Agents.

The Corporation and the Agents hereby acknowledge that the Units and Offered Securities have not been and will not be registered under the U.S. Securities Act (as defined herein) or any U.S. state securities laws and the Units and Offered Securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, except to Accredited Investors (as defined in Schedule "A" hereto), in compliance with the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D thereunder, and exemptions under applicable state securities laws, in the manner contemplated by this Agreement, including Schedule "A" hereto. The Corporation and the Agents hereby agree that all offers and sales of the Units and Offered Securities will be conducted only in the manner specified in Schedule "A" hereto, which terms and conditions are hereby incorporated by reference in and form a part of this Agreement. In addition, the Units and Offered Securities may be offered and sold in certain other jurisdictions outside of Canada and the United States as may be determined by the Agents, and in accordance with Schedule "A" hereto.

## 1. **Definitions and Interpretation.**

In this Agreement, the following terms shall have the following meanings:

- (a) "**Additional Closing Date**" has the meaning ascribed thereto in subsection 13(b) of this Agreement.
- (b) "**Additional Closing Time**" has the meaning ascribed thereto in subsection 13(b) of this Agreement.
- (c) "**Agency Fee**" has the meaning ascribed to such term in Section 9 of this Agreement.
- (d) "**Agents**" has the meaning ascribed to such term in the first paragraph of this Agreement.
- (e) "**Agents' counsel**" means Burnet, Duckworth & Palmer LLP, or such other legal counsel as the Lead Agent may appoint.
- (f) "**Agents' Option**" has the meaning ascribed to such term in the first page of this Agreement.
- (g) "**Agreement**" means this agency agreement, as it may be amended from time to time, and not any particular Article or Section or portion except as may be specified, and words such as "hereto", "herein" and "hereby" refer to this Agreement as the context requires.
- (h) "**AIF**" means the form 20-F of the Corporation dated April 29, 2022 for the year ended December 31, 2021.
- (i) "**Anti-Corruption Rules**" means all applicable laws, regulations, decrees, government orders, and administrative or other requirements in any jurisdiction in which the

Corporation operates relating to the prevention and/or sanction of bribery and other forms of corrupt behaviour or practices (including without limitation the *Corruption of Foreign Public Officials Act* (Canada) and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), each as amended).

- (j) "**Anti-Money Laundering Laws**" has the meaning ascribed thereto in Section 6(b)(iv) of this Agreement.
- (k) "**Applicable Law**" means: (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty; and (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a governmental authority having the force of law, including but not limited to the Applicable Securities Laws, the Environmental Laws, Anti-Corruption Rules and the Anti-Money Laundering Laws.
- (l) "**Applicable Securities Laws**" means all applicable Canadian securities and corporate laws, rules, regulations, notices and policies in the Qualifying Provinces.
- (m) "**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder.
- (n) "**BCSC**" means the British Columbia Securities Commission.
- (o) "**Broker Warrants**" has the meaning ascribed to such term in the first page of this Agreement.
- (p) "**Business Day**" means a day which is not Saturday, Sunday or a legal holiday in the City of Vancouver, British Columbia.
- (q) "**Closing Date**" means June 29, 2022 or such other date as the Corporation and the Lead Agent may mutually agree upon.
- (r) "**Closing Time**" means 5:00 a.m. (Vancouver time) on the Closing Date or such other time as mutually agreed to by the Corporation and the Lead Agent.
- (s) "**Common Shares**" has the meaning ascribed to such term in the first paragraph of this Agreement.
- (t) "**Corporate Finance Fee**" has the meaning ascribed to such term in Section 9 of this Agreement.
- (u) "**Corporation**" has the meaning ascribed to such term in the first paragraph of this Agreement, and, for greater certainty, includes any successor corporation to or of the Corporation, and when the context requires or permits, includes its Subsidiaries.
- (v) "**Corporation's auditor**" means Harbourside CPA, Vancouver, British Columbia.
- (w) "**Corporation's counsel**" means DS Lawyers Canada LLP, or such other legal counsel as the Corporation may appoint.

- (x) **"Disclosure Record"** means all information filed by or on behalf of the Corporation with the Securities Commissions subsequent to December 31, 2020, including without limitation, the Documents, the Prospectuses, any Supplementary Material and any other information filed with any Securities Commission in compliance, or intended compliance, with any Applicable Securities Laws.
- (y) **"distribution"** means **"distribution"** or **"distribution to the public"**, as the case may be, as defined under Applicable Securities Laws and **"distribute"** has a corresponding meaning.
- (z) **"Documents"** means, collectively, the documents incorporated by reference in the Prospectuses and any Supplementary Material including, without limitation:
  - (i) the AIF;
  - (ii) the Financial Statements;
  - (iii) the material change report dated March 16, 2021 with respect to the closing of a non-brokered private placement financing;
  - (iv) the material change report dated April 12, 2021 with respect to the settlement of outstanding debt;
  - (v) the material change report dated April 26, 2021 with respect to the settlement of outstanding debt;
  - (vi) the material change report dated July 14, 2021 with respect to the acceleration of expiry date for all warrants issued in 2020;
  - (vii) the form 8-K of the Corporation dated September 7, 2021 with respect to the agreement and plan of merger and amalgamation;
  - (viii) the management proxy statement and information circular dated June 8, 2021, for the annual and special meeting of shareholders held on July 7, 2021;
  - (ix) the management proxy statement and information circular dated October 27, 2021 for the annual and special meeting of the shareholders of the Corporation held on December 17, 2021;
  - (x) the material change report dated December 30, 2021 with respect to the shareholder approval of the redomicile to British Columbia for the Corporation;
  - (xi) the reports prepared by GLJ Ltd. on the reserves assessment and evaluation, and the prospective resources assessment and evaluation, of the exploration gas prospects of the Corporation dated effective October 31, 2021;
  - (xii) the material change report dated January 12, 2022 with respect to the statement of reserves data and other oil and gas information for the period ended October 31, 2021;
  - (xiii) the material change report dated February 1, 2022;

- (xiv) the material change report dated March 24, 2022 with respect to a non-brokered private placement;
  - (xv) the material change report dated April 6, 2022 with respect to a non-brokered private placement;
  - (xvi) the management's discussion and analysis of the Corporation for the year ended December 31, 2021;
  - (xvii) the revised management's discussion and analysis of the Corporation for the period ended March 31, 2022; and
  - (xviii) any documents of the type required by NI 44-101 to be incorporated by reference in a short form prospectus, including any annual information form, annual financial statements and the auditors' report thereon, interim financial statements, management's discussion and analysis of financial condition and results of operations, material change report (except a confidential material change report), business acquisition report and information circular, filed by the Corporation after the date of this Agreement and during the period of distribution.
- (aa) "**Due Diligence Responses**" means the written and verbal responses (to the extent such verbal responses are subsequently reduced to writing in a form acceptable to the Corporation, acting reasonably) provided by the Corporation together with all materials provided to the Agents' counsel during the Due Diligence Session, as given by any director or senior officer of the Corporation, at a Due Diligence Session.
  - (bb) "**Due Diligence Session**" shall have the meaning set forth in subsection 2(d) hereof.
  - (cc) "**Due Diligence Session Responses**" means the written responses delivered by the each of the directors and officers of the Corporation at the Due Diligence Session;
  - (dd) "**Exchange**" means the Canadian Securities Exchange.
  - (ee) "**Final Passport System Decision Document**" means a receipt for the Prospectus issued in accordance with the Passport System.
  - (ff) "**Financial Statements**" means, collectively:
    - (i) the audited consolidated financial statements of the Corporation as at and for the years ended December 31, 2021 and December 31, 2020, together with the notes thereto and the report of the auditors thereon; and
    - (ii) the revised unaudited consolidated financial statements of the Corporation for the three months ended March 31, 2022 and March 31, 2021, together with the notes thereto.
  - (gg) "**GLJ**" means GLJ Ltd.
  - (hh) "**IFRS**" means International Financial Reporting Standards, as adopted by the Canadian Accounting Standards Board, for publicly accountable enterprises.

- (ii) "**Indemnified Persons**" means the Agents, their respective affiliates and their respective directors, officers, shareholders, managers, members, partners, agents, employees and advisors.
- (jj) "**Lead Agent**" has the meaning ascribed to such term in the first paragraph of this Agreement.
- (kk) "**Lock-Up Agreements**" means the agreements to be entered into by each of the directors and executive officers of the Corporation, whereby such executive officers and directors will agree, prior to the Closing Date, not to sell, or agree to sell (or announce any intention to do so), any Common Shares or securities exchangeable or convertible into Common Shares for a period of 120 days from the Closing Date without the prior written consent of the Lead Agent, such consent not to be unreasonably withheld or delayed.
- (ll) "**Marketing Documents**" means, collectively, all (i) standard term sheets, and (ii) marketing materials (including any template version, revised template version or limited use version thereof), provided to a potential investor in connection with the distribution of Offered Securities.
- (mm) "**marketing materials**" has the meaning ascribed thereto under NI 41-101.
- (nn) "**material change**", "**material fact**" and "**misrepresentation**" shall have the meanings ascribed thereto under the Applicable Securities Laws.
- (oo) "**NI 44-101**" means National Instrument 44-101 — *Short Form Prospectus Distributions*, as amended.
- (pp) "**NI 51-102**" means National Instrument 51-102 — *Continuous Disclosure Obligations*, as amended.
- (qq) "**NI 52-107**" means National Instrument 52-107 — *Acceptable Accounting Principles and Auditing Standards*.
- (rr) "**NI 52-109**" means National Instrument 52-109 — *Certification of Disclosure in Issuers' Annual and Interim Filings*, as amended.
- (ss) "**NP 11-202**" means National Policy 11-202 — *Process for Prospectus Reviews in Multiple Jurisdictions*, as amended.
- (tt) "**Offered Securities**" has the meaning ascribed to such term in the first paragraph of this Agreement.
- (uu) "**Offering**" has the meaning ascribed to such term on the first page of this Agreement.
- (vv) "**OTCQX**" means the OTCQX quotation board maintained by the OTC Markets Group, Inc.
- (ww) "**Over-Allotment Units**" has the meaning ascribed to such term in the first page of this Agreement.

- (xx) "**Passport System**" means the system and procedures for prospectus filing and review under Multilateral Instrument 11-102, entitled "*Passport System*" and NP 11-202.
- (yy) "**Preliminary Passport System Decision Document**" means a receipt for the Preliminary Prospectus issued (or deemed to be issued) by the Securities Commissions in accordance with the Prospectus Review Procedures.
- (zz) "**Preliminary Prospectus**" means the preliminary short form prospectus of the Corporation and any amendments thereto, including the documents incorporated by reference therein, in respect of the distribution of the Offered Securities in the Qualifying Provinces.
- (aaa) "**Preliminary U.S. Placement Memorandum**" means the preliminary United States private placement memorandum, including the Preliminary Prospectus, if any, in the form agreed by the Corporation and the Agents, prepared for use in connection with the offers and sales of the Offered Securities in the United States.
- (bbb) "**Prospectus**" means the (final) short form prospectus of the Corporation and any amendments thereto, in respect of the distribution of the Offered Securities, including the documents incorporated by reference therein.
- (ccc) "**Prospectus Amendment**" means, collectively, any amendment to the Preliminary Prospectus or the Prospectus.
- (ddd) "**Prospectuses**" means, collectively, the Preliminary Prospectus and the Prospectus.
- (eee) "**provide**" in the context of sending or making available Marketing Documents to a potential investor of Offered Securities has the meaning ascribed thereto under Applicable Securities Laws, whether in the context of a "road show" (as defined in NI 41-101) or otherwise.
- (fff) "**Qualifying Provinces**" means each of the provinces of Canada, except Quebec.
- (ggg) "**Regulation D**" means Regulation D adopted by the SEC under the U.S. Securities Act.
- (hhh) "**Regulation S**" means Regulation S adopted by the SEC under the U.S. Securities Act.
- (iii) "**Reserves Report**" means collectively: (A) the independent engineering report of GLJ dated March 9, 2022 on the South Akcakoca Sub-Basin and Cendere properties of the Corporation located in Turkey effective December 31, 2021; and (B) the independent engineering reports of GLJ dated effective October 31, 2021 on: (i) the reserves assessment and evaluation of the South Akcakoca Sub-Basin property of the Corporation; and (ii) the prospective resources assessment and evaluation of the exploration prospects of the Corporation located in the South Akcakoca Sub-Basin.
- (jjj) "**SEC**" means the United States Securities and Exchange Commission.
- (kkk) "**Securities Commissions**" means, collectively, the securities commissions or similar regulatory authorities in the Qualifying Provinces and "**Securities Commission**" means any of them.

- (lll) "**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.
- (mmm) "**Selling Dealer Group**" means the dealers and brokers, other than the Agents, who participate in the offer and sale of the Offered Securities pursuant to this Agreement.
- (nnn) "**Subsidiary**" or "**Subsidiaries**" shall have the meanings set forth in subsection 6(b)(ii)6(b)(ii) hereof.
- (ooo) "**Supplementary Material**" means, collectively, any amendment to the Preliminary Prospectus or the Prospectus, any amended or supplemental Preliminary Prospectus or Prospectus or any ancillary material, information, evidence, return, report, application, statement or document which may be filed by or on behalf of the Corporation under Applicable Securities Laws.
- (ppp) "**Swaps**" means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, forward sale, exchange traded futures contract or any other similar transaction (including any option with respect to any of these transactions or any combination of these transactions).
- (qqq) "**template version**" has the meaning ascribed thereto under NI 41-101 and includes any revised template version of marketing materials as contemplated by NI 41-101.
- (rrr) "**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.
- (sss) "**Unit Shares**" has the meaning ascribed to such term in the first paragraph of this Agreement.
- (ttt) "**Units**" has the meaning ascribed to such term in the first paragraph of this Agreement.
- (uuu) "**U.S. Affiliate**" means a United States registered broker-dealer affiliate of any Agent.
- (vvv) "**U.S. GAAP**" has the meaning ascribed to such term in NI 52-107.
- (www) "**U.S. Person**" has the meaning given to such term in Regulation S.
- (xxx) "**U.S. Placement Memorandum**" means the United States private placement memorandum, including the Prospectus, prepared for the offering of the Units and Offered Securities in the United States, in the form agreed to by the Corporation and the Agents.
- (yyy) "**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended.
- (zzz) "**Warrant Agent**" means Odyssey Trust Company.
- (aaaa) "**Warrant Indenture**" means the warrant indenture to be entered into between the Corporation and the Warrant Agent governing the Warrants.



(bbbb) "**Warrant Shares**" has the meaning ascribed to such term in the first paragraph of this Agreement.

(cccc) "**Warrants**" has the meaning ascribed to such term in the first paragraph of this Agreement.

In this Agreement, "*to the best of the Corporation's knowledge, information and belief*", or an equivalent statement, means a statement as to the knowledge of each of the senior officers of the Corporation about the facts or circumstances to which such phrase relates, after having made reasonable inquiries and investigations in connection with such facts and circumstances that would ordinarily be made by senior officers of junior exploration and production companies in similar circumstances in the discharge of their duties, without special inquiry for the purpose of the Offering. In this Agreement, "*to the knowledge of the Corporation*", or an equivalent statement, means a statement as to the actual knowledge of each of the senior officers of the Corporation about the facts or circumstances to which such phrase relates.

In addition, unless otherwise defined herein capitalized terms shall have the meanings ascribed thereto in the Prospectuses.

## 2. **Qualification for Sale**

- (a) The Corporation represents and warrants to the Agents that it is eligible to use the short form prospectus offering qualification system described in NI 44-101 for the distribution of the Offered Securities.
- (b) The Corporation shall elect and comply with the Passport System and shall:
  - (i) not later than 5:00 p.m. (Vancouver time) on June 3, 2022, have prepared and filed the Preliminary Prospectus and other documents required under the Applicable Securities Laws with the Securities Commissions and designated the BCSC as the principal regulator under the Passport System;
  - (ii) obtained from the BCSC a Preliminary Passport System Decision Document dated June 3, 2022, evidencing that a receipt for the Preliminary Prospectus has been issued or deemed to have been issued in each of the Qualifying Provinces;
  - (iii) forthwith after any comments with respect to the Preliminary Prospectus have been received from the Securities Commissions and resolved (or such later date as may be agreed to in writing by the Corporation and the Lead Agent) have used all commercially reasonable efforts to have:
    - (A) prepared and filed the Prospectus and other documents required under the Applicable Securities Laws with the Securities Commissions by not later than 5:00 p.m. (Vancouver time) on June 24, 2022 (or such later date as may be agreed to in writing by the Corporation and the Lead Agent); and
    - (B) obtained from the BCSC a Final Passport System Decision Document dated June 24, 2022 (or such later date as may be agreed to in writing by the Corporation and the Lead Agent), evidencing that a receipt for the Prospectus has been issued in British Columbia and Ontario and has been deemed to have been issued in each of the Qualifying Provinces other than

British Columbia and Ontario or otherwise obtained a receipt for the Prospectus from each of the Securities Commissions;

and otherwise fulfilled all legal requirements to enable the Offered Securities to be offered and sold to the public in each of the Qualifying Provinces through the Lead Agent or any other investment dealer or broker registered in the applicable Qualifying Province; and

- (iv) until the completion of the distribution of the Offered Securities, promptly take all additional steps and proceedings that, from time to time, may be required under the Applicable Securities Laws in each Qualifying Province to continue to qualify the Offered Securities for distribution or, in the event that the Offered Securities have, for any reason, ceased to so qualify, to again qualify the Offered Securities for distribution in each Qualifying Province and, to the extent within the control of the Corporation, to qualify the Units and Offered Securities and Warrant Shares for sale in transactions exempt from, or not subject to, registration under the U.S. Securities Act, pursuant to the exemption provided by Rule 506(b) of Regulation D thereunder or the exclusion provided by Rule 903 of Regulation S thereunder, as applicable, and in reliance upon exemptions from registration under applicable state securities laws, and all in accordance with Schedule "A" hereto.
- (c) Prior to the filing of the Prospectus and, during the period of distribution of the Offered Securities, prior to the filing with any Securities Commissions of any Supplementary Material or any documents incorporated by reference therein after the date hereof, the Corporation shall allow the Agents and the Agents' counsel to participate fully in the preparation of, and, acting reasonably, to approve the form of, such documents (including, without limitation, the U.S. Placement Memorandum).
- (d) During the period from the date hereof until completion of the distribution of the Offered Securities, the Corporation shall allow the Agents to conduct all due diligence which they may reasonably require in order to fulfill their obligations as agents and in order to enable the Agents to responsibly to execute the certificates required to be executed by them in the Prospectuses or in any Supplementary Material. Without limiting the generality of the foregoing, the Corporation shall make available its directors and senior management, and shall use all commercially reasonable efforts to cause its auditors (including of any predecessor entity or business), independent engineers (including of any predecessor entity or business), and legal counsel to be available, as applicable, to answer any questions which the Agents may have and to participate in one or more due diligence sessions to be held prior to the Closing Time (collectively, the "**Due Diligence Session**"). The Agents shall distribute a list of written questions to be answered in advance of such Due Diligence Session and the Corporation shall provide written responses to such questions in advance of the Due Diligence Session and shall use all commercially reasonable efforts to have the above-mentioned auditors, independent engineers, legal counsel and other experts provide written responses to such questions in advance of the Due Diligence Session.
- (e) The Corporation will ensure that management of the Corporation will, in accordance with Applicable Securities Laws, make themselves available to, and shall assist in the marketing of, the Offered Securities at such times and in such manner as the Agents may reasonably request, including, without limitation, to participate in meetings with institutional investors as reasonably requested by the Agents.

- (f) The Corporation shall take or cause to be taken all such other steps and proceedings, including fulfilling all legal, regulatory and other requirements, as required under Applicable Securities Laws, to qualify the Offered Securities and Warrant Shares for distribution to the public in the Qualifying Provinces, to ensure that the Offered Securities and the Warrant Shares are freely tradeable in the Qualifying Provinces, save and except for a trade that is a control distribution, and to take such action within its control that is necessary to permit the Units and Offered Securities to be offered and sold, in accordance with Schedule "A" hereto, in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and for sale internationally on a "private placement" basis in Europe, Australia and the United Kingdom and in such other jurisdictions (with such jurisdictions other than Canada, the United States, Europe, Australia and the United Kingdom being referred to herein as "**Other Jurisdictions**") as the Corporation may agree (provided there is no additional expense to the Corporation in connection with any sale in Other Jurisdictions), as permitted by applicable laws.
- (g) During the period from the date hereof until completion of the distribution of the Offered Securities:
- (i) the Corporation shall prepare, in consultation with the Lead Agent, and approve in writing, prior to such time any marketing materials are provided to potential investors in Offered Securities, a template version of any marketing materials reasonably requested to be provided by the Agents to any such potential investor, such marketing materials to comply with Applicable Securities Laws and to be acceptable in form and substance to the Agents and the Agents' counsel, acting reasonably;
  - (ii) the Agents shall approve a template version of any such marketing materials in writing prior to such time such marketing materials are provided to potential investors in Offered Securities;
  - (iii) the Corporation shall file a template version of the English version of any such marketing materials on SEDAR as soon as reasonably practical after such marketing materials are so approved in writing by the Corporation and the Agents and in any event on or before the day the marketing materials are first provided to any potential investor in Offered Securities (provided that if any comparables are removed, the Corporation shall deliver a complete template version of any such marketing materials to the Securities Commissions), and the Corporation shall provide a copy of such filed template version to the Agents as soon as practicable following such filing; and
  - (iv) following the approvals set forth in Sections 2(g)(i) to 2(g)(iii), the Agents may provide a limited use version of such marketing materials to potential investors in Offered Securities in accordance with Applicable Securities Laws.
- (h) The Corporation and each Agent, on a several basis, covenants and agrees not to provide any potential investor of Offered Securities with any marketing materials except for marketing materials which have been approved as contemplated in Section 2(g)(ii) hereof.

### 3. Delivery of Prospectus and Related Documents

The Corporation shall deliver, or cause to be delivered, without charge to the Agents and the Agents' counsel the documents set out below at the respective times indicated:

- (a) prior to or contemporaneously, as nearly as practicable, with the filing with the Securities Commissions of each of the Preliminary Prospectus and the Prospectus:
  - (i) copies of the Preliminary Prospectus and the Prospectus signed as required by Applicable Securities Laws;
  - (ii) copies of the Preliminary U.S. Placement Memorandum and U.S. Placement Memorandum, respectively, if required by the Agents; and
  - (iii) copies of any documents incorporated by reference therein, which have not previously been delivered to the Agents or are otherwise available on SEDAR;
- (b) as soon as they are available, copies of any Supplementary Material, signed as required by Applicable Securities Laws and including, in each case, copies of any documents incorporated by reference therein, which have not been previously delivered to the Agents;
- (c) prior to the filing of the Prospectus with the Securities Commissions, a "comfort letter" from the Corporation's auditor and any other auditors who have audited any of the financial statements included in or incorporated by reference in the Prospectus, dated the date of the Prospectus, addressed to the Agents and satisfactory in form and substance to the Agents and the Agents' counsel, acting reasonably, to the effect that they have carried out certain procedures performed for the purposes of comparing certain specified financial information and percentages appearing in the Prospectus and the documents incorporated therein by reference with indicated amounts in the financial statements or accounting records of the Corporation or other applicable entity or business and have found such information and percentages to be in agreement, which comfort letter shall be based on the applicable auditors' review having a cut-off date of not more than two Business Days prior to the date of the Prospectus; and
- (d) in the event that the Corporation is required by Applicable Securities Laws to prepare and file any Prospectus Amendment, the Corporation shall prepare and deliver promptly to the Agents signed and certified copies of such Prospectus Amendment. Any Prospectus Amendment shall be in form and substance satisfactory to the Agents, acting reasonably. Concurrently with the delivery of any Prospectus Amendment, the Corporation shall deliver to the Agents, with respect to such Prospectus Amendment, documents similar to those referred to in subsection 3(c) hereof.

Comfort letters similar to those referred to in subsection 3(c) shall be provided to the Agents with respect to any Supplementary Material filed pursuant to Section 5(c) and any other relevant document at the time the same is presented to the Agents for their signature or, if the Agents' signatures are not required, at the time the same is filed. All such comfort letters shall be in form and substance satisfactory to the Agents and the Agents' counsel, acting reasonably.

The deliveries referred to in subsections 3(a) and (b) shall also constitute the Corporation's consent to the use by the Agents and members of the Selling Dealer Group of the Documents, the

Prospectuses, the U.S. Placement Memorandum, and any Supplementary Material in connection with the offering and sale of the Offered Securities.

#### **4. Commercial Copies**

- (a) The Corporation shall, as soon as possible, but in any event not later than 4:00 p.m. (local time at the place of delivery) on the Business Day following the date of receipt of the Preliminary Passport System Decision Document or the Final Passport Decision Document, as the case may be (or such other date or time as the Lead Agent and the Corporation may agree), with the Securities Commissions and no later than noon (local time) on the second Business Day after the execution of any Supplementary Material in connection with the Prospectuses, cause to be delivered to the Agents, without charge, copies of all marketing materials, as required by Applicable Securities Laws, together with, in the case of any marketing materials proposed to be provided to potential investors of Offered Securities, commercial copies of the Preliminary Prospectus, the Prospectus or such Supplementary Material, in such numbers and in such cities as the Agents may reasonably request by oral or written instructions to the Corporation or the printer thereof given no later than the time when the Corporation authorizes the printing of the commercial copies of such documents.
- (b) The Corporation shall cause to be provided to the Agents such number of copies of any documents incorporated by reference in the Preliminary Prospectus, the Prospectus or any Supplementary Materials as the Agents may reasonably request.
- (c) The Corporation will similarly cause to be delivered to the Agents, at those delivery points as the Agents may reasonably request, commercial copies of the Preliminary U.S. Placement Memorandum, if any, and the U.S. Placement Memorandum and any Supplementary Material required to be delivered to purchasers or prospective purchasers of the Units and Offered Securities. Each delivery of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum and any such Supplementary Material will constitute consent by the Corporation to the use of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum and any such Supplementary Material by the Agents and the U.S. Affiliates of the Agents and members of the Selling Dealer Group (if any) for the offer and sale of the Offered Securities in the United States and to, or for the account or benefit of, U.S. Persons, in accordance with this Agreement.
- (d) The Corporation will similarly cause to be delivered to the Agents, at those delivery points as the Agents may reasonably request, commercial copies of any Supplementary Material required to be delivered to purchasers or prospective purchasers of the Offered Securities.

#### **5. Material Change and Certain Other Covenants**

- (a) During the period commencing on the date hereof and ending on the completion of the distribution of the Offered Securities, the Corporation will promptly inform the Agents in writing of the full particulars of:
  - (i) any material change (actual, anticipated or threatened) in or affecting the business, operations, revenues, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation;

- (ii) any change in any material fact contained or referred to in the Preliminary Prospectus, the Prospectus, Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, or any Supplementary Material; and
- (iii) the occurrence or discovery of a material fact or event which, in any such case, is, or may be, of such a nature as to:
  - (A) render the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material untrue, false or misleading in any material respect;
  - (B) result in a misrepresentation in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material; or
  - (C) result in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material not complying in any material respect with the Applicable Securities Laws,

provided that if the Corporation is uncertain as to whether a material change, change, occurrence or event of the nature referred to in this section has occurred or been discovered, the Corporation shall promptly inform the Agents of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agents as to whether the occurrence is of such nature prior to making any filing referred to in paragraph 5(c).

- (b) During the period commencing on the date hereof and ending on the completion of the distribution of the Offered Securities, the Corporation will promptly inform the Agents in writing of the full particulars of:
  - (i) any request of any Securities Commission, the SEC or similar regulatory authority for any amendment to, or to suspend or prevent the use of, the Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum or any other part of the Disclosure Record or for any additional information of a material nature;
  - (ii) the issuance by any Securities Commission, the SEC or similar regulatory authority, the Exchange, the OTCQX or any other competent authority of any order to cease or suspend trading of any securities of the Corporation or of the institution or threat of institution of any proceedings for that purpose; and
  - (iii) the receipt by the Corporation of any communication from any Securities Commission, the SEC or similar regulatory authority, the Exchange the OTCQX or any other competent authority relating to the Preliminary Prospectus, the Prospectus, Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any part of the Disclosure Record or the distribution of the Offered Securities.
- (c) The Corporation will promptly comply to the reasonable satisfaction of the Agents and the Agents' counsel with Applicable Securities Laws with respect to any material change, change, occurrence or event of the nature referred to in subsections 5(a) or 5(b) above and

the Corporation will prepare and file promptly at the Agents' request, acting reasonably, and only during the distribution of the Offered Securities, any amendment to the Prospectus, the U.S. Placement Memorandum or Supplementary Material as may be required under Applicable Securities Laws or the U.S. Securities Act; provided that the Corporation shall have allowed the Agents and the Agents' counsel to participate fully in the preparation of any Supplementary Material, to have reviewed any other documents incorporated by reference therein and conduct all due diligence investigations which the Agents may reasonably require in order to fulfill their obligations as agents and in order to enable the Agents responsibly to execute the certificate required to be executed by them in, or in connection with, any Supplementary Material, such approval not to be unreasonably withheld and to be provided in a timely manner. The Corporation shall further promptly deliver to the Agents and the Agents' counsel a copy of each Supplementary Material as filed with the Securities Commissions and of comfort letters with respect to each such Supplementary Material substantially similar to those referred to in Section 3 above.

- (d) During the period commencing on the date hereof and ending on the completion of the distribution of the Offered Securities, the Corporation will promptly provide to the Agents, for review by the Agents and the Agents' counsel, prior to filing or issuance:
  - (i) any financial statement of the Corporation;
  - (ii) any proposed document, including without limitation any amendment to the AIF, new annual information form, business acquisition report, material change report, interim report, or information circular, which may be incorporated, or deemed to be incorporated, by reference in the Prospectus;
  - (iii) any press release of the Corporation; and
  - (iv) any Supplementary Material, the Preliminary U.S. Placement Memorandum or the U.S. Placement Memorandum.
- (e) The Corporation will obtain, prior to the Closing Time, all necessary approvals of the Exchange for the issuance and listing on the Exchange of the Offered Securities and the Warrant Shares.
- (f) The Corporation will use commercially reasonable efforts to maintain its listing on the Exchange and the OTCQX, provided that the foregoing shall not restrict or prevent the Corporation from completing a plan of arrangement, takeover bid or other business combination which could or may result in the delisting of the Offered Securities or the Warrant Shares from the Exchange.
- (g) The Corporation shall use the net proceeds from the sale of the Offered Securities as described in the Prospectus and U.S. Placement Memorandum.

## **6. Representations and Warranties of the Corporation**

- (a) Each delivery of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum and any Supplementary Material pursuant to Section 3 above shall constitute a representation and warranty to the

Agents by the Corporation (and the Corporation hereby acknowledges that the Agents are relying on such representations and warranties in entering into this Agreement) that:

- (i) all of the information and statements (except information and statements relating solely to the Agents and furnished by them in writing expressly for inclusion in the applicable document) contained in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material, as applicable, including, without limitation, the documents incorporated by reference in the Preliminary Prospectus and the Prospectus, as the case may be:
    - (A) are at the respective dates of such documents, true and correct in all material respects;
    - (B) contain no misrepresentation; and
    - (C) constitute full, true and plain disclosure of all material facts relating to the Corporation and the Offered Securities and the Warrant Shares;
  - (ii) the Preliminary Prospectus, the Prospectus, or any Supplementary Material, as applicable, including, without limitation, the documents incorporated by reference in the Preliminary Prospectus and the Prospectus, as the case may be, comply in all material respects with the Applicable Securities Laws, including without limitation NI 44-101, and the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum and, to the extent applicable, any related Supplementary Material, each comply as to form and content in all material respects with the U.S. Securities Act and applicable state securities laws; and
  - (iii) except as is disclosed in the Disclosure Record, there has been no intervening material change (actual, proposed or prospective, whether financial or otherwise), from the date of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum and any Supplementary Material to the time of delivery thereof, in the business, operations, material contracts, revenues, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation.
- (b) In addition to the representations and warranties contained in subsection 6(a) hereof, the Corporation represents and warrants to, and covenants with, the each of the Agents, and acknowledges that the Agents are relying upon such representations, warranties and covenants in entering into this Agreement, that:
- (i) the Corporation and each of the Subsidiaries, are duly incorporated, continued or amalgamated and validly existing and in good standing under the laws of the jurisdiction in which they were incorporated, continued or amalgamated or otherwise existing, as the case may be, have all requisite corporate power, authority and capacity to own, lease or operate their properties and assets as described in the Prospectus and the Disclosure Record and no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing its dissolution or winding up, and the Corporation has all requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder;



- (ii) the Corporation is the direct or indirect beneficial holder of 100% of the issued and outstanding securities of each of: (i) BG Explorations EOOD; (ii) Park Place Energy Turkey Limited; (iii) Park Place Energy, Corp.; and (iv) Park Place Energy (Bermuda) Limited (individually, each a "**Subsidiary**" and collectively the "**Subsidiaries**") in each case, free and clear of all mortgages, charges, pledges, security interests, encumbrances, claims or demands whatsoever other than Permitted Encumbrances and no person or other entity has any agreement, option, right or privilege (whether pre-emptive or contractual) to purchase or receive (or capable of becoming an agreement or a right to purchase or receive) from the Corporation or any of the Subsidiaries any issued or unissued securities of the Subsidiaries;
- (iii) the Corporation and each of the Subsidiaries, are duly registered and qualified to carry on business and are validly existing under the laws of each jurisdiction in which they carry on business;
- (iv) other than the Subsidiaries, the Corporation does not have any subsidiaries, the Corporation has no shareholdings in any other corporation or business organization, is not an "affiliate" or a "holding corporation" of any other body corporate (within the meaning of the BCBCA), and is not a partner of any partnerships or limited partnerships;
- (v) the Corporation and each of the Subsidiaries have conducted and are conducting their business in compliance in all material respects with all applicable laws, rules and regulations and, in particular, all applicable licensing and environmental legislation, regulations or by-laws or other lawful requirement of any governmental or regulatory bodies applicable to the Corporation and each of the Subsidiaries of each jurisdiction in which the Corporation and each of the Subsidiaries carry on business and the Corporation and each of the Subsidiaries hold all material licences, registrations, permits and qualifications in all jurisdictions in which the Corporation and each of the Subsidiaries carry on business which are necessary or desirable to carry on the business of the Corporation and each of the Subsidiaries, as now conducted and as presently proposed to be conducted in the Prospectus, except where the failure to so conduct its business or to hold such licences, registrations, permits or qualifications, would not have a material adverse effect on the Corporation and the Subsidiaries (taken as a whole) and all such licenses, registrations, permits and qualifications are valid and existing and in good standing and none of such licenses, registrations, permits or qualifications contains any burdensome term, provision, condition or limitation which has or is likely to have any material adverse effect on the business of the Corporation and the Subsidiaries (taken as a whole) as now conducted or as proposed to be conducted and the Corporation is not aware of any legislation, regulation, rule or lawful requirements presently in force or proposed to be brought into force which the Corporation anticipates that the Corporation or any of its Subsidiaries will be unable to comply with without materially adversely affecting the Corporation or its Subsidiaries (taken as a whole);
- (vi) neither the Corporation nor any of the Subsidiaries is in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of this Agreement, the Warrant Indenture or any of the transactions contemplated hereby or thereby, does not and will not result in any breach of, or

be in conflict with or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would result in a breach of or constitute a default under: (i) any term or provision of the articles, by laws or resolutions of the directors (or any committee thereof) or shareholders of the Corporation or any of the Subsidiaries; (ii) any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which the Corporation or any of the Subsidiaries are a party or by which it is bound; or (iii) any law, judgment, decree, order, statute, rule or regulation applicable to the Corporation or any of the Subsidiaries or their properties or assets; which default or breach might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation and the Subsidiaries (taken as a whole) or would impair the ability of the Corporation or any of the Subsidiaries to consummate the transactions contemplated hereby or thereby or to duly observe and perform any of its covenants or obligations contained in this Agreement and the Warrant Indenture;

- (vii) the Corporation has full corporate capacity, power and authority to enter into this Agreement and the Warrant Indenture and to perform its obligations set out herein and therein (including, without limitation, to issue the Offered Securities and Warrant Shares), and this Agreement has been, and the Warrant Indenture will, on the Closing Date, be, duly authorized, executed and delivered by the Corporation and this Agreement is, and the Warrant Indenture will, on the Closing Date, constitute, legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their terms except that the validity, binding effect and enforceability are subject to the qualification that such validity, binding effect and enforceability may be limited by:
  - (A) bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting creditors' rights;
  - (B) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
  - (C) the equitable or statutory powers of the courts in Canada to stay proceedings before them and the execution of judgments;
  - (D) rights to indemnity, contribution and waiver hereunder may be limited or unavailable under applicable law;
  - (E) the applicable laws regarding limitations of actions;
  - (F) the enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of such document would be determined only in the discretion of the court;
  - (G) the enforceability of the provisions exculpating a party from liability or duty otherwise owed by it to another and certain remedial terms and waivers of equitable defences provided for in such agreement or other document may be limited under applicable law;

- (H) the requirement of a court that the discretionary powers expressed to be conferred on any party to such agreement, indenture or other document be exercised reasonably and in good faith notwithstanding any provisions to the contrary and the possibility that such court may decline to accept as conclusive factual or legal determinations described as conclusive therein; and
  - (I) the fact that costs of and incidental to all proceedings authorized to be taken in court are in the discretion of the court and that the court has full power to determine by whom and to what extent such costs shall be paid;
- (viii) there has not been any reportable event (within the meaning of Section 4.11 of NI 51-102) with the Corporation's auditor;
  - (ix) based upon representations made by the Corporation's auditor to the Corporation, the Corporation's auditor are independent chartered accountants with respect to the Corporation, as required by Applicable Securities Laws;
  - (x) there has not been any material change in the capital, assets, liabilities or obligations (absolute, contingent or otherwise) of the Corporation from the position set forth in the Financial Statements which has not been disclosed in the Prospectus and there has not been any adverse material change in the business, operations, capital or condition (financial or otherwise) or results of the operations of the Corporation since March 31, 2022 which has not been disclosed in the Prospectus; and since that date, other than as a result of changes in commodity prices, there have been no material facts, transactions, events or occurrences which could materially adversely affect the capital, assets, liabilities (absolute, accrued, contingent or otherwise), business, operations, material contracts or condition (financial or otherwise) or results of the operations of the Corporation and the Subsidiaries (taken as a whole) which have not been disclosed in the Prospectus;
  - (xi) the Financial Statements, except for the unaudited consolidated financial statements of the Corporation for the three months ended March 31, 2022, fairly present, in accordance with U.S. GAAP, consistently applied, the financial position and condition of the Corporation on a consolidated basis at the dates thereof and the results of the operations of the Corporation on a consolidated basis for the periods then ended and reflect all assets, liabilities and obligations (absolute, accrued, contingent or otherwise) of the Corporation as at the dates thereof which are required to be disclosed in accordance with generally accepted accounting principles;
  - (xii) the unaudited consolidated financial statements of the Corporation for the three months ended March 31, 2022, fairly present, in accordance with generally accepted accounting principles in Canada, consistently applied, the financial position and condition of the Corporation on a consolidated basis at the dates thereof and the results of the operations of the Corporation on a consolidated basis for the periods then ended and reflect all assets, liabilities and obligations (absolute, accrued, contingent or otherwise) of the Corporation as at the dates thereof which are required to be disclosed in accordance with generally accepted accounting principles;

- (xiii) the Corporation maintains a system of "internal control over financial reporting" (as defined in NI 52-109) that provides reasonable assurance regarding the reliability of financial reporting and the preparation of the Corporation's consolidated financial statements for external purposes in accordance with IFRS;
- (xiv) the Corporation maintains "disclosure controls and procedures" (as defined in NI 52-109) that provide reasonable assurance that: (A) material information relating to the Corporation is made known to the Corporation's president and chief executive officer and chief financial officer by others within the Corporation; and (B) information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under Applicable Securities Laws is recorded, processed, summarized and reported within the time periods specified in Applicable Securities Laws;
- (xv) neither the Corporation nor any of the Subsidiaries have completed any "significant acquisitions" since March 31, 2022 and there are no proposed significant acquisitions that would require, pursuant to NI 44-101, any financial statements or pro forma financial statements in respect thereof to be included in the Prospectuses or require the Corporation to prepare and file a business acquisition report;
- (xvi) there are no actions, suits, proceedings or inquiries, including, to the best of the Corporation's knowledge, information and belief, pending or threatened against or affecting the Corporation or any of the Subsidiaries at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which in any way materially adversely affects, or may in any way materially adversely affect, the assets, business, operations, permits or condition (financial or otherwise) of the Corporation and the Subsidiaries (taken as a whole) or which affects or may affect the distribution of the Offered Securities or which would impair the ability of the Corporation to consummate the transactions contemplated by this Agreement or the Warrant Indenture or to duly observe and perform any of its covenants or obligations contained in this Agreement, and to be contained in the Warrant Indenture, and the Corporation is not aware of any existing ground on which such action, suit, proceeding or inquiry might be commenced with any reasonable likelihood of success;
- (xvii) other than as disclosed in the Disclosure Record, during the past 12 months, the Corporation has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or other securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities of any class or agreed to any of the foregoing;
- (xviii) neither the Corporation nor any of the Subsidiaries is a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of the Corporation or any of the Subsidiaries and Applicable Law and other rights of indemnification or guarantees granted under registrar and transfer agency agreements, agency or underwriting agreements, financial and strategic advisory agreements, confidentiality agreements, to the Corporation's bankers, to subscribers of flow-through shares or pursuant to operating or similar agreements in the ordinary

course of business) or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person, other than as disclosed in the Disclosure Record;

- (xix) neither the Corporation nor any of the Subsidiaries is party to or bound by or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Corporation or any of the Subsidiaries to compete in any line of business, transfer or move any of its assets or operations (other than as granted under confidentiality agreements that do not adversely affect the operations of the Corporation) or which materially or adversely affects the business, operations or financial condition of the Corporation and the Subsidiaries (taken as whole);
- (xx) neither the Corporation nor any of the Subsidiaries has any loans or other indebtedness outstanding which have been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's length with the Corporation or any of the Subsidiaries that are currently outstanding other than as disclosed in the Prospectus;
- (xxi) the information and statements set forth in the Documents and Disclosure Record were true, correct, and complete and did not contain any misrepresentation, as of the date of such information or statement, and the Corporation has not filed any confidential material change report still maintained on a confidential basis;
- (xxii) the Corporation has the necessary corporate power and authority to execute, deliver and file the Prospectuses and, prior to the filing of the Prospectuses, all requisite action will have been taken by the Corporation to authorize the execution, delivery and filing of the Prospectuses;
- (xxiii) the attributes and characteristics of the Offered Securities will conform in all material respects to the attributes and characteristics thereof described in the Prospectuses;
- (xxiv) the authorized capital of the Corporation consists of an unlimited number of Common Shares, and an unlimited number of Preferred Shares of which, as at the date hereof, 296,853,074 Common Shares are outstanding as validly issued and fully paid and non-assessable shares of the Corporation;
- (xxv) as at the date hereof, other than pursuant to the provisions of this Agreement and other than stock options, share purchase warrants, restricted share units to acquire Common Shares as described in the Prospectus granted to certain officers, directors, employees and consultants of the Corporation, no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of the Corporation or now has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement for the purchase, subscription or issuance of any unissued shares, securities (including convertible securities) or warrants of the Corporation or the Subsidiaries;
- (xxvi) except for any purchase of Common Shares pursuant to this Offering, none of the directors, officers or employees of the Corporation or any of the Subsidiaries, or

any person who owns, directly or indirectly, more than 10% of any class of securities of the Corporation, or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any material transaction or any proposed material transaction with the Corporation or any of the Subsidiaries which, as the case may be, materially affects, is material to or will materially affect the Corporation and the Subsidiaries (taken as a whole);

- (xxvii) except in respect of sales of Common Shares in connection with the exercise of stock options, share purchase warrants, restricted share units, no insider has a present intention to sell any securities of the Corporation held by it;
- (xxviii) the definitive form of certificates for the Common Shares and Warrants has been duly approved and adopted by the Corporation and complies with all legal requirements under the laws governing the Corporation, and applicable requirements of the Exchange;
- (xxix) the Corporation and each of the Subsidiaries have duly and timely filed, in proper form, returns in respect of taxes for all periods in respect of which such filings have heretofore been required, and all taxes shown thereon and all taxes owing have been paid or accrued on the books of the Corporation and each of the Subsidiaries and there are no outstanding agreements or waivers extending the statutory period of limitations applicable to any federal, provincial or other return in respect of taxes for any period, and all payments by the Corporation or any of the Subsidiaries to any non-resident of Canada have been made in accordance with applicable legislation in respect of withholding tax; there are no assessments or reassessments respecting the Corporation or any of the Subsidiaries pursuant to which there are amounts owing or discussions in respect thereof with any taxing authority, and the Corporation and each of the Subsidiaries have withheld from each payment made to any of its current or former officers, directors and employees the amount of all taxes (including, without limitation, income tax) and other deductions required to be withheld therefrom and has paid the same to the proper tax or other authority within the time required under any applicable tax legislation;
- (xxx) the Corporation and each of the Subsidiaries have established reserves that are adequate for the payment of all taxes not yet due and payable and there are no liens, mortgages, charges, pledges, encumbrances or other security interests for taxes on the assets or properties of any of the foregoing entities, except for taxes not yet due;
- (xxxi) all filings made by the Corporation and each of the Subsidiaries under which the Corporation and each of the Subsidiaries have received or are entitled to government incentives have been made in accordance, in all material respects, with all applicable legislation and contain no misrepresentations of material fact or omit to state any material fact which could cause any amount previously paid to the Corporation or any of the Subsidiaries or previously accrued on the accounts thereof to be recovered or disallowed;
- (xxxii) as at the date hereof, the Corporation is not aware of any material contingent tax liability of the Corporation or any of the Subsidiaries or any grounds which will prompt a reassessment;

- (xxxiii) the issued and outstanding Common Shares are listed and posted for trading on the Exchange, and the Corporation is in compliance with the by-laws, rules and regulations of the Exchange in all material respects;
- (xxxiv) the issued and outstanding Common Shares are listed and posted for trading on the OTCQX and the Corporation is in compliance with the by-laws, rules and regulations of the OTCQX in all material respects;
- (xxxv) neither the Corporation nor any of its Subsidiaries have taken or will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in stabilization or manipulation of the price of the Common Shares;
- (xxxvi) the minute books of the Corporation and each of the Subsidiaries contain true and correct copies of all constating documents of the Corporation and each of the Subsidiaries and contain copies of the minutes of all meetings and all the resolutions of directors and shareholders, as the case may be, thereof as at the date hereof;
- (xxxvii) as of the date hereof, the Corporation is a "reporting issuer" or equivalent status in each of the provinces of British Columbia and Ontario, within the meaning of Applicable Securities Laws, and is not in material default of any requirement in relation thereto;
- (xxxviii) the Common Shares of the Corporation is a class of securities registered pursuant to Section 12 of the U.S. Securities Exchange Act of 1934, as amended, the Corporation is in compliance in all material respects with its reporting and disclosure obligations under the U.S. Securities Exchange Act of 1934, as amended;
- (xxxix) Odyssey Trust Company, at its principal office in the City of Vancouver, British Columbia is the duly appointed registrar and transfer/warrant agent of the Corporation with respect to each of the Common Shares and the Warrants;
- (xl) any and all operations of the Corporation and each of the Subsidiaries, and to the best of the Corporation's knowledge, any and all operations by third parties on or in respect of the assets and properties of the Corporation and each of the Subsidiaries, have in all material respects been conducted in accordance with good oil and gas industry practice and in material compliance with all applicable laws, rules, regulations, orders and directions of government and other competent authorities, except where the failure to so conduct the operations would not have a material adverse effect on the Corporation and the Subsidiaries (taken as a whole);
- (xli) in respect of the assets and properties of the Corporation that are operated by it or the Subsidiaries, the Corporation holds all valid licenses, permits and similar rights and privileges that are material and required and necessary under applicable law to operate such assets and properties as presently operated or as proposed to be operated except where the failure to so hold such licences and permits would not have a material adverse effect on the business, operations, revenues, capital, condition (financial or otherwise), liabilities (absolute, accrued, contingent or otherwise) or results of operations of the Corporation or its properties or assets (taken as a whole);

- (xlii) other than as provided for in this Agreement and as disclosed in the Prospectuses, the Corporation has not incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder's fees, agents' commission or other similar forms of compensation with respect to the Offering;
- (xliii) except as disclosed in the Prospectus, no officer, director, employee or any other person not dealing at arm's length with the Corporation or any of the Subsidiaries or, to the knowledge of the Corporation, any "associate" or "affiliate" (as such terms are defined in the *Securities Act* (British Columbia)) of any such person, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on production from the properties or assets of the Corporation and the Subsidiaries (taken as a whole) or any revenue or rights attributed thereto;
- (xliv) the Corporation and each of the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts that are customary in the business in which they are engaged; all policies of insurance and fidelity or surety bonds insuring the Corporation and each of the Subsidiaries and their businesses, assets, employees, officers and directors are in full force and effect, the Corporation and each of the Subsidiaries are in compliance with the terms of such policies and instruments in all material respects and there are no material claims by the Corporation or any of the Subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; the Corporation has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a material adverse effect on the condition (financial or otherwise) prospects, earnings, business or properties of the Corporation and the Subsidiaries (taken as a whole);
- (xlv) except to the extent that any violation or other matter referred to in this subparagraph does not have a material adverse effect on the business, financial condition, assets, properties, liabilities or operations of the Corporation and the Subsidiaries (taken as a whole) (and in respect of non-operated properties, to the knowledge of the Corporation):
  - (A) neither the Corporation nor any of the Subsidiaries are in violation of any applicable federal, provincial, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters (collectively, "**Environmental Laws**");
  - (B) the Corporation and each of the Subsidiaries have operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
  - (C) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by the Corporation or any of the Subsidiaries that have not been remedied;



- (D) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of the Corporation or any of the Subsidiaries;
  - (E) neither the Corporation nor any of the Subsidiaries has failed to report to the proper federal, provincial, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign, the occurrence of any event which is required to be so reported by any Environmental Law;
  - (F) the Corporation and each of the Subsidiaries hold all licenses, permits and approvals required under any Environmental Laws in connection with the operation of their businesses and the ownership and use of their assets, all such licenses, permits and approvals are in full force and effect, and except for notifications and conditions of general application to assets of reclamation obligations under environmental legislation in any jurisdiction in which they conduct their business, neither the Corporation nor any of the Subsidiaries has received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any license, permit or approval issued pursuant thereto, or that any license, permit or approval referred to above is about to be reviewed, made subject to limitations or conditions, revoked, withdrawn or terminated; and
  - (G) neither the Corporation nor any of the Subsidiaries has received any notice of, or been prosecuted for an offence alleging, material non-compliance with any Environmental Laws, and the Corporation and each of the Subsidiaries have not (including, if applicable, any predecessor companies) settled any allegation of material non-compliance short of prosecution;
- (xlvi) other than as disclosed in the Documents, there are no material contracts or agreements to which the Corporation or any of the Subsidiaries are a party, or by which any of them are bound. For the purposes of this subparagraph, any contract or agreement pursuant to which the Corporation or any of the Subsidiaries will, or may reasonably be expected to, result in a requirement to expend more than an aggregate of \$1,000,000 or receive or be entitled to receive revenue of more than \$1,000,000, in either case in the next 12 months and is outside of the ordinary course of business of the Corporation or any of the Subsidiaries, shall be considered to be material;
  - (xlvii) except as disclosed in the Disclosure Record, neither the Corporation nor any of the Subsidiaries is a party to any written contracts of employment which may not be terminated on one month's notice (other than amounts payable at common law) or less or which provide for payments occurring on a change of control of the Corporation or any of the Subsidiaries;
  - (xlviii) the Corporation and each of the Subsidiaries are in material compliance with all provisions of all laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours (collectively,

"**Employment Laws**") and with all collective bargaining or similar agreements to which they are a party, and, to the best of the Corporation's knowledge, there is no pending investigation, inquiry or claim involving the Corporation or any of its subsidiaries by or before any governmental or labour relation authority or anybody in Canada, Bulgaria, Turkey, the United States, Bermuda, the Cayman Islands or any other country responsible for the enforcement of any Employment Law which could, individually or in the aggregate, have a material adverse effect on the Corporation; and, to the best of the Corporation's knowledge, no grievance or arbitration proceeding is pending and no labour dispute with the employees of the Corporation or any of its subsidiaries exists which could, individually or in the aggregate, have a material adverse effect on the Corporation;

- (xlix) the Corporation and each of its subsidiaries have satisfied all obligations under, and there are no outstanding material defaults or material violations with respect to, and no material taxes, penalties, or fees are owing or exigible under or in respect of, any employee benefit, incentive, pension, retirement, stock option, stock purchase, stock appreciation, health, welfare, medical, dental, disability, life insurance and similar plans, arrangements or practices relating to the current or former employees, officers, trustees or directors of the Corporation or any of its subsidiaries maintained, sponsored or funded by any of them, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered and all contributions or premiums required to be paid thereunder have been made in a timely fashion and any such plan or arrangement which is a funded plan or arrangement is fully funded on an ongoing and termination basis;
- (l) neither the Corporation nor any of the Subsidiaries is currently a party to any Swaps;
- (li) there is not in the constating documents or by-laws of the Corporation, or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which the Corporation is a party, any restriction upon or impediment to the declaration of dividends by the directors of the Corporation or payment of dividends by the Corporation to the holders of the common shares of the Corporation;
- (lii) neither the Corporation nor, to its knowledge, any of its shareholders is a party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of the Corporation;
- (liii) the Corporation does not have in place a shareholder rights plan;
- (liv) to the best of the knowledge of the Corporation, none of its directors or officers are subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;
- (lv) no officer or director of the Corporation or any of the Subsidiaries, nor, to the knowledge of the Corporation, any employee of the Corporation or any of the Subsidiaries, is subject to any limitations or restrictions on their activities or investments, including any non-competition provisions, that would in any way

limit or restrict their involvement with the Corporation or the business of the Corporation (taken as a whole) as now conducted and as presently proposed to be conducted;

- (lvi) to the best of the Corporation's knowledge, information and belief, the Corporation, its affiliates, and any of its officers, directors, supervisors, managers, agents, or employees, has conducted and is conducting its business in material compliance with all Applicable Laws (including Anti-Corruption Rules), rules and regulations of each jurisdiction in which it carries on a material portion of its business and the Corporation has not received any notice of any alleged violation of any such laws, rules and regulations;
- (lvii) the Corporation, its affiliates, and any of its directors, officers, supervisors, managers, agents, and employees, and any persons acting on behalf of any such persons, have conducted at all times and are conducting its operations in full compliance with the Anti-Corruption Rules of all applicable jurisdictions and no action, suit, investigation or proceeding by or before any governmental authority or any arbitrator involving the Corporation or any of its directors, officers, supervisors, managers, agents, employees, or affiliates, or any persons acting on behalf of any such persons, with respect to a violation or potential violation of Anti-Corruption Rules is pending or threatened;
- (lviii) the Corporation, the activities and operations of the Corporation and all of its respective directors, officers, agents, employees, affiliates or persons acting on behalf of any such persons, are and have been conducted at all times in compliance with the anti-money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency to which they are subject (collectively, the "**Anti-Money Laundering Laws**") and no action, suit or proceeding by or before any governmental authority or any arbitrator involving the Corporation with respect to the Anti-Money Laundering Laws is, to the best of the knowledge, information and belief of the Corporation, pending or threatened;
- (lix) the Corporation has made available to GLJ prior to the issuance of the Reserves Report, for the purpose of preparing the Reserves Report, all information requested by GLJ, which information did not contain any material misrepresentation at the time such information was provided. Except with respect to changes in the prices of oil and gas or as a result of acquisitions, dispositions, facility turn-arounds and production since such time, the Corporation has no knowledge of a material adverse change in any production (taken as a whole), costs, reserves or other relevant information provided to GLJ since the date that such information was so provided. The Corporation believes that the Reserves Report reasonably present the quantity and pre-tax present worth values of the oil and gas reserves attributable to the crude oil, natural gas liquids and natural gas properties of the Corporation evaluated in such report as at the dates specified therein, as applicable, based upon information available at the time such reserves information was prepared and the assumptions as to commodity prices and costs contained therein, and the Corporation believes that at the dates of such reports, based on the assumptions as to commodity prices and costs contained therein, it did not (and as of the date hereof, except as may be attributable to production since the date of such report

does not) overstate the aggregate quantity or pre-tax present worth values of such reserves or the estimated monthly production volumes therefrom;

- (lx) the properties and assets of the Corporation and its Subsidiaries are free and clear of all mortgages, pledges, liens, charges and encumbrances other than those encumbrances that are standard in the oil and gas industry in the jurisdictions in which such properties and assets are situated or which do not and will not have a material adverse effect on the ownership or operation of such assets and properties ("**Permitted Encumbrances**") and other than Permitted Encumbrances, the Corporation and its Subsidiaries have not done any act or suffered or permitted any action to be done whereby any person has acquired or may acquire an interest in or to the material properties and assets of the Corporation or its Subsidiaries, nor has it done any act, omitted to do any act or permitted any act to be done that may adversely affect or defeat its title to any of its material properties or assets;
- (lxi) the Corporation, after due inquiry, does not have any reason to believe that the Corporation or any of the Subsidiaries do not have title to or the irrevocable right to produce and sell their petroleum, natural gas and related hydrocarbons (for the purposes of this clause, the foregoing are referred to as the "**Interests**") and does represent and warrant that the Interests are, to the best of its knowledge, information and belief, free and clear of any adverse claims created by, through or under the Corporation or those arising in the ordinary course of business, and, to the Corporation's knowledge, the Corporation and each of the Subsidiaries hold their respective Interests under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements, except where the failure to so hold the Interest would not have a material adverse effect upon them;
- (lxii) there are no defects, failures or impairments in the title of the Corporation and its Subsidiaries to its oil and gas properties, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a material adverse effect on items (A), (B) and (C) set forth immediately below and the Corporation and its Subsidiaries are not aware of any pending or threatened action, suit, proceeding or inquiry which, in aggregate, could have a material adverse effect on: (A) the quantity of and pre-tax present value of estimated future net revenue from the oil and natural gas reserves of the Corporation as shown in the Reserves Report; (B) the current production of the Corporation; or (C) the current cash flow of the Corporation;
- (lxiii) the Corporation is in material compliance with the filing and certification requirements of each of NI 51-102 and NI 52-109; and
- (lxiv) the Due Diligence Session Responses will be true and correct where they relate to matters of fact, and in all material respects as at the time such responses are given and, to the knowledge of the Corporation, such responses taken as a whole shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given. Where the Due Diligence Session Responses reflect the opinion or view of the Corporation or its directors or officers (including, Due Diligence Session Responses or portions of such Due Diligence Session Responses, which are forward looking or otherwise relate to projections, forecasts or estimates of future

performance or results (operating, financial or otherwise)) ("**Forward-looking Statements**"), such opinions or views are subject to the qualifications and provisions set forth in the Due Diligence Session Responses and will be honestly held and believed to be reasonable at the time they are given; provided, however, it shall not constitute a breach of this paragraph solely if the actual results vary or differ from those contained in Forward-looking Statements.

## 7. Indemnity

- (a) The Corporation shall indemnify and save each of the Indemnified Persons, harmless against and from all actual or threatened liabilities, claims, demands, losses, costs (including, without limitation, legal fees and disbursements on a full indemnity basis), damages and expenses to which the Indemnified Persons may be subject or which the Indemnified Persons may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising directly or indirectly from or in consequence of:
- (i) any information or statement contained in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material, any part of the Disclosure Record or in any other document or material filed or delivered by or on behalf of the Corporation pursuant hereto (other than any information or statement relating solely to the Agents and furnished to the Corporation by the Agents in writing expressly for inclusion in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material or such other document or material) which is or is alleged to be untrue or any omission or alleged omission to provide any information or state any fact (other than any information or fact relating solely to the Agents) the omission of which makes or is alleged to make any such information or statement untrue or misleading in light of the circumstances in which it was made;
  - (ii) any misrepresentation or alleged misrepresentation (except a misrepresentation which is based upon information relating solely to the Agents and furnished to the Corporation by the Agents in writing expressly for inclusion in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material, or in any document or other part of the Disclosure Record) contained in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material or in any other document or any other part of the Disclosure Record filed by or on behalf of the Corporation;
  - (iii) any prohibition or restriction of trading in the securities of the Corporation or any prohibition or restriction affecting the distribution of the Offered Securities imposed by any competent authority if such prohibition or restriction is based on any misrepresentation or alleged misrepresentation of a kind referred to in subsection 7(a)(ii);
  - (iv) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities prohibiting, restricting, relating to or materially affecting the trading or distribution of the Offered Securities if such order, inquiry or investigation is based on any

misrepresentation or alleged misrepresentation of a kind referred to in subsection 7(a)(ii);

- (v) any breach of, default under or non-compliance by the Corporation with any requirements of the Applicable Securities Laws, the by-laws, rules or regulations of the Exchange or any representation, warranty, term or condition of this Agreement, the Warrant Indenture or in any certificate or other document delivered by or on behalf of the Corporation hereunder or pursuant hereto; or
- (vi) the exercise by any subscriber for Offered Securities or any holder of Offered Securities of any contractual or statutory right for damages in connection with the purchase of the Offered Securities based on any misrepresentation or alleged misrepresentation of a kind referred to in subsection 7(a)(ii);

provided, however, no party who has engaged in any fraud, willful misconduct, or gross negligence shall be entitled, to the extent that a court of competent jurisdiction from which no appeals can be made has determined that the liabilities, claims, losses, costs, damages or expenses were caused solely by such activity, to claim indemnification from any person who has not engaged in such fraud, willful misconduct, or gross negligence (provided that for greater certainty, the foregoing shall not disentitle an Agent from claiming indemnification hereunder to the extent that the gross negligence, if any, relates to the Agents' failure to conduct adequate "due diligence").

- (b) If any claim contemplated by subsection 7(a) shall be asserted against any of the persons or corporations in respect of which indemnification is or might reasonably be considered to be provided for in such subsections, the Indemnified Person shall notify the Corporation (provided that failure to so notify the Corporation of the nature of such claim in a timely fashion shall relieve the Corporation of liability hereunder only if and to the extent that such failure materially prejudices the Corporation's ability to defend such claim) as soon as possible of the nature of such claim and the Corporation shall be entitled (but not required) to assume the defense of any suit brought to enforce such claim, provided however, that the defense shall be through legal counsel selected by the Corporation and acceptable to the Indemnified Person acting reasonably and that no admission of liability or settlement may be made by the Corporation or the Indemnified Person without the prior written consent of the other, such consent not to be unreasonably withheld. The Indemnified Person shall have the right to retain its own counsel in any proceeding relating to a claim contemplated by subsection 7(a) if:
  - (i) the Indemnified Person has been advised by counsel that there may be a reasonable legal defense available to the Indemnified Person which is different from or additional to a defense available to the Corporation and that representation of the Indemnified Person and the Corporation by the same counsel would be inappropriate due to the actual or potential differing interests between them (in which case the Corporation shall not have the right to assume the defense of such proceedings on the Indemnified Person's behalf);
  - (ii) the Corporation shall not have taken the defense of such proceedings and employed counsel within ten (10) days after notice has been given to the Corporation of commencement of such proceedings; or

- (iii) the employment of such counsel has been authorized by the Corporation in connection with the defense of such proceedings;

and, in any such event, the reasonable fees and expenses of such Indemnified Person's counsel (on a solicitor and his client basis) shall be paid by the Corporation, provided that the Corporation shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate law firm (in addition to any local counsel) for all such Indemnified Persons.

- (c) The Corporation hereby waives its rights to recover contribution from the Agents with respect to any liability of the Corporation by reason of or arising out of any misrepresentation in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material or any other part of the Disclosure Record provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of any misrepresentation which is based upon information relating solely to the Agents contained in such document and furnished to the Corporation by the Agents in writing expressly for inclusion in the Preliminary Prospectus, the Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material.
- (d) If any legal proceedings shall be instituted against the Corporation in respect of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material or any other part of the Disclosure Record or the Offered Securities or if any regulatory authority or stock exchange shall carry out an investigation of the Corporation in respect of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material or any other part of the Disclosure Record or the Offered Securities and, in either case, any Indemnified Person is required to testify, or respond to procedures designed to discover information, in connection with or by reason of the services performed by the Agents hereunder, the Indemnified Persons may employ their own legal counsel and the Corporation shall pay and reimburse the Indemnified Persons for the reasonable fees, charges and disbursements (on a full indemnity basis) of such legal counsel, the other expenses reasonably incurred by the Indemnified Persons in connection with such proceedings or investigation and a fee at the normal per diem rate for any director, officer or employee of the Agents involved in the preparation for or attendance at such proceedings or investigation.
- (e) The rights and remedies of the Indemnified Persons set forth in Sections 7, 8 and 9 (in the case of the Agents) hereof are to the fullest extent possible in law, cumulative and not alternative and the election by any Agent or other Indemnified Person to exercise any such right or remedy shall not be, and shall not be deemed to be, a waiver of any other rights and remedies.
- (f) The Corporation hereby acknowledges that the Agents are acting as agents for the other Indemnified Persons under this Section 7 and under Section 8 with respect to all such Indemnified Persons.
- (g) The Corporation waives any right it may have of first requiring an Indemnified Person to proceed against or enforce any other right, power, remedy or security or claim or to claim payment from any other person before claiming under this indemnity. It is not necessary

for an Indemnified Person to incur expense or make payment before enforcing such indemnity.

- (h) The rights of indemnity contained in this Section 7 shall not apply if the Corporation has complied with the provisions of Sections 2, 3 and 4 and the person asserting any claim contemplated by this Section 7 was not provided with a copy of the Prospectus or any amendment to the Prospectus or other document which corrects any misrepresentation or alleged misrepresentation which is the basis of such claim and which was required, under Applicable Securities Laws, to be delivered to such person and which the Corporation has provided to the Agents to forward to such person.
- (i) If the Corporation has assumed the defense of any suit brought to enforce a claim hereunder, the Indemnified Person shall provide the Corporation copies of all documents and information in its possession pertaining to the claim, take all reasonable actions necessary to preserve its rights to object to or defend against the claim, consult and reasonably cooperate with the Corporation in determining whether the claim and any legal proceeding resulting therefrom should be resisted, compromised or settled and reasonably cooperate and assist in any negotiations to compromise or settle, or in any defense of, a claim undertaken by the Corporation.

## **8. Contribution**

In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is, for any reason, held by a court to be unavailable from the Corporation on grounds of policy or otherwise, the Corporation and the party or parties seeking indemnification shall contribute to the aggregate liabilities, claims, demands, losses (other than losses of profit), costs (including, without limitation, legal fees and disbursements on a full indemnity basis), damages and expenses (or claims, actions, suits or proceedings in respect thereof) to which they may be subject or which they may suffer or incur:

- (a) in such proportion as is appropriate to reflect the relative benefit received by the Corporation on the one hand, and by the Agents on the other hand, from the offering of the Offered Securities; or
- (b) if the allocation provided by subsection 8(a) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in subsection 8(a) above but also to reflect the relative fault of the Agents on the one hand, and the Corporation, on the other hand, in connection with the statements, commissions or omissions or other matters which resulted in such liabilities, claims, demands, losses, costs, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Corporation, on the one hand, and the Agents, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the Offering received by the Corporation (net of fees but before deducting expenses) bear to the fees received by the Agents. In the case of liability arising out of the Preliminary Prospectus, the Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum or any Supplementary Material, the relative fault of the Corporation, on the one hand, and of the Agents, on the other hand, shall be determined by reference, among other things, to whether the misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 7 relates to information supplied or which ought to have been supplied by, or steps or actions taken or done on behalf of or which ought to have been taken or done on behalf of the Corporation or the



Agents and the parties' relative intent knowledge, access to information and opportunity to correct or prevent such misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 7.

The amount paid or payable by an Indemnified Person as a result of liabilities, claims, demands, losses (other than losses of profit), costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) referred to above shall, without limitation, include any legal or other expenses reasonably incurred by the Indemnified Person in connection with investigating or defending such liabilities, claims, demands, losses, costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) whether or not resulting in any action, suit, proceeding or claim.

Each of the Corporation and the Agents agree that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding sections. The rights to contribution provided in this Section 8 shall be in addition to, and without prejudice to, any other right to contribution which the Agents or other Indemnified Persons may have.

Any liability of an Agent under this Section 8 shall be limited to the amount actually received by the Agents under Section 9.

## 9. Agency Fee

In consideration for their services hereunder, the Corporation agrees, at the Closing Time, to pay: (i) the Agents a fee equal to 6.0% of the aggregate gross proceeds received by the Corporation from the sale of the Offered Securities sold by the Agents at the Closing Time or Additional Closing Time, as applicable, subject to a reduced fee of 4.0% of the aggregate gross proceeds received by the Corporation from the sale of the Offered Securities sold by the Agents at the Closing Time or Additional Closing Time, as applicable, for the number of Offered Securities sold to purchasers identified and confirmed by the Corporation; (ii) the Agents such number of Broker Warrants as is equal to 6.0% of the aggregate number of Offered Securities sold by the Agents at the Closing Time or Additional Closing Time, as applicable, subject to a reduced fee of 4.0% of the aggregate number of Offered Securities Offered Securities sold by the Agents at the Closing Time or Additional Closing Time, as applicable, for the number of Offered Securities sold to purchasers identified and confirmed by the Corporation (together with the fees set forth in section 9(i) above, the "**Agency Fee**"); and (iii) the Lead Agent a corporate finance fee of \$300,000 (the "**Corporate Finance Fee**").

The foregoing Agency Fee and Corporate Finance Fee may, at the sole option of the Lead Agent, be deducted from the aggregate gross proceeds of the sale of the Offered Securities and withheld for the account of the Agents at the Closing Time or Additional Closing Time, as applicable. If the Agency Fee and/or Corporate Finance Fee is withheld as aforesaid, the Agency Fee and/or Corporate Finance Fee will be deemed to have been paid in full at such Closing Time or Additional Closing Time, as applicable.

For greater certainty, the services provided by the Agents in connection herewith will not be subject to the Goods and Services Tax or Harmonized Sales Tax ("**GST**") provided for in the *Excise Tax Act* (Canada) and taxable supplies provided will be incidental to the exempt financial services provided. However, in the event that the Canada Revenue Agency determines that GST provided for in the *Excise Tax Act* (Canada) is exigible on the Agency Fee, the Corporation agrees to pay the

amount of GST forthwith upon the request of the Agents. The Corporation also agrees to pay the Agents' expenses as set forth in Section 10 hereof.

The Agency Fee will be allocated among the Agents proportionately as set forth below:

| <b>Agent</b>                 | <b>Percentage</b> |
|------------------------------|-------------------|
| Echelon Wealth Partners Inc. | 70.00%            |
| Research Capital Corporation | 30.00%            |
| <b>Total</b>                 | <b>100.00%</b>    |

## 10. Expenses

Whether or not the transactions contemplated herein shall be completed, all costs and expenses (including applicable GST) of or incidental to the transactions contemplated hereby including, without limitation, those relating to the distribution of the Offered Securities, if applicable, shall be borne by the Corporation including, without limitation, all costs and expenses of or incidental to the preparation, filing and reproduction (including the commercial copies thereof) of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material, and the delivery thereof to the Agents, the fees and expenses of the Corporation's counsel, the fees and expenses of local counsel retained by the Corporation or the Corporation's counsel, the fees and expenses of the Corporation's transfer agent, any auditors, engineers and other outside consultants, all stock exchange listing fees, and all other costs and expenses relating to this transaction including, without limitation, the reasonable and documented legal fees and disbursements of Agents' counsel (including the fees and disbursements of special U.S. counsel, if any) together with applicable GST and the reasonable and documented out-of-pocket expenses of the Agents including, due diligence expenses, meals, hotels, airfare and ancillary of-out-pocket expenses (collectively, "**Out-of-Pocket Expenses**"). All fees and expenses incurred by the Agents which are reimbursable hereunder shall be payable by the Corporation immediately upon receiving an invoice therefor from the Agents. Notwithstanding the foregoing, the Agents must obtain written or email approval from the Corporation for all non-customary expenses that are not contemplated by this Section 10 and agree to provide the Corporation with a written estimate of their Out-of-Pocket Expenses.

## 11. Termination

- (a) In addition to any other rights or remedies available to the Agents, the Agents, or any of them, may, without liability, terminate their obligations hereunder, by written notice to the Corporation in the event that after the date hereof and at or prior to the Closing Time:
  - (i) any order to cease or suspend trading in any securities of the Corporation or prohibiting or restricting the distribution of any of the Offered Securities or Warrant Shares is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, the Exchange or any other competent authority, and such order or proceeding has not been rescinded, revoked or withdrawn or such announced, commenced or threatened proceeding has not been terminated or withdrawn;

- (ii) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) in relation to the Corporation or any of its directors or officers is announced, commenced or threatened by any federal, provincial, state, municipal, other governmental agency or any securities commission or similar regulatory authority, the Exchange, or any other competent authority, or there is a change in law, regulation or policy or the interpretation or administration thereof, if, in the opinion of the Agents, or any one of them, acting reasonably, the change, announcement, commencement or threatening thereof, as the case may be, operates to prevent, suspend or restrict the trading, or distribution of the Offered Securities, Warrant Shares or any other securities of the Corporation or otherwise materially adversely affects, or may materially adversely affect the Corporation or the market price, value, investment quality or the marketability of the Offered Securities;
- (iii) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, including, without limitation, any military conflict, civil insurrection, act of terrorism, war or like event, or a governmental action, law, regulation, inquiry or any occurrence of any nature whatsoever, which, in the sole opinion of the Agents or any one of them, acting reasonably, seriously adversely affects or involves, or may seriously adversely affect or involve, the financial markets generally or the business, operations, affairs or profitability of the Corporation, or the distribution, trading, market price, value, investment quality or the marketability of the of the Offered Securities;
- (iv) the state of the financial markets is such that the Offered Securities cannot, in the sole opinion of the Agents, or any one of them, be successfully or profitably marketed;
- (v) there should occur any material change, change of a material fact, occurrence, event, fact or circumstance (whether actual, anticipated, proposed, contemplated or threatened, financial or otherwise) or any development that could result in a material change or change of a material fact, in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or control of the Corporation or a change in any material fact (other than a material fact related solely to any of the Agents as provided by the Agents in writing in connection with and solely for the purposes of inclusion in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Materials), or the Agents become aware of any undisclosed material information (other than information related solely to the Agents as provided by the Agents in writing in connection with and solely for the purposes of inclusion in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Materials), any of which, in the sole opinion of the Agents, or any one of them, as determined by the Agents in its sole discretion, could reasonably be expected to have a material adverse effect on the business, operations, affairs or profitability of the Corporation, or the distribution, trading, market price, value, investment quality or the marketability of the Offered Securities;
- (vi) the Agents determine, in their sole discretion, that the Corporation shall be in breach of, default under or non-compliance with any covenant, term or condition of this Agreement, in any material respect, or any representation or warranty given

by the Corporation in this Agreement becomes or are false in any material respect;  
or

- (vii) the Agents are not satisfied with their due-diligence review.
- (b) The Agents may exercise any or all of the rights provided for in subsection 11(a) or Sections 12 or 16 notwithstanding any material change, change, event or state of facts and (except where the Agents purporting to exercise any of such rights is in material breach of its obligations under this Agreement) notwithstanding any act or thing taken or done by the Agents or any inaction by the Agents, whether before or after the occurrence of any material change, change, event or state of facts including, without limitation, any act of the Agents related to the offering or continued offering of the Offered Securities for sale and any act taken by the Agents in connection with any amendment to the Prospectus (including the execution of any amendment or any other Supplementary Material) and the Agents shall only be considered to have waived or be estopped from exercising or relying upon any of their rights under or pursuant to subsection 11(a) or Sections 12 or 16 if such waiver or estoppel is in writing and specifically waives or estops such exercise or reliance.
- (c) Any termination pursuant to the terms of this Agreement shall be effected by notice in writing delivered to the Corporation provided that no termination shall discharge or otherwise affect any obligation of the Corporation under Sections 7, 8, 10 or 17. The rights of the Agents to terminate their obligations hereunder are in addition to, and without prejudice to, any other rights or remedies they may have.
- (d) If an Agent elects to terminate its obligations hereunder as aforesaid, whether the reason for such termination is within or beyond the control of the Corporation, the liability of the Corporation hereunder with respect to such Agent shall be limited to the indemnity referred to in Section 7, the contribution rights referred to in Section 8 and the payment of expenses referred to in Section 10.

## 12. Closing Documents

The obligations of the Agents hereunder shall be conditional upon all representations and warranties and other statements of the Corporation herein being, at and as of the Closing Time, true and correct in all material respects, the Corporation having performed in all material respects, at the Closing Time, all of its obligations hereunder theretofore to be performed and the Agents receiving at the Closing Time and the delivery by the Corporation to the Agents of:

- (a) favourable legal opinions of the Corporation's counsel addressed to the Agents, in form and substance reasonably satisfactory to the Agents, with respect to such matters as the Agents may reasonably request relating to the Corporation, the offering of the Offered Securities and the transactions contemplated hereby, including, without limitation, that:
  - (i) the Corporation and each of the material Subsidiaries, have been duly created, incorporated or amalgamated, as the case may be, and are validly subsisting and have all requisite corporate capacity, power and authority to own and lease its properties and assets and to carry on their respective businesses as now conducted by them and as described in the Prospectuses and are qualified to carry on business under the laws of each of the jurisdictions in which they carry on a material portion of their respective businesses;

- (ii) the Corporation has full corporate power and authority to enter into this Agreement and the Warrant Indenture and to perform its obligations set out herein and therein, and this Agreement has been and the Warrant Indenture will, on the Closing Date, be, duly authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with their terms, except that the validity, binding effect and enforceability of the terms of agreements and documents are subject to the qualification that such validity, binding effect and enforceability may be limited by:
- (A) applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally;
  - (B) equitable remedies, including the remedies of specific performance and injunctive relief, being available only in the discretion of the applicable court;
  - (C) the statutory and inherent powers of a court to grant relief from forfeiture, to stay execution of proceedings before it and to stay executions on judgments;
  - (D) the applicable laws regarding limitations of actions;
  - (E) enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of such document would be determined only in the discretion of the court;
  - (F) enforceability of the provisions exculpating a party from liability or duty otherwise owed by it may be limited under applicable law; and
  - (G) the rights to indemnity, contribution and waiver under the documents which may be limited or unavailable under applicable law;
- (iii) the execution and delivery of this Agreement and the fulfillment of the terms hereof by the Corporation, and the performance of and compliance with the terms of this Agreement and the Warrant Indenture by the Corporation does not and will not result in a breach of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under:
- (A) any applicable laws of the Province of Alberta or the federal laws of Canada applicable therein;
  - (B) any term or provision of the notice of articles, articles or other constating documents, as applicable, of the Corporation;
  - (C) of which counsel is aware, any resolutions of the shareholders or directors (or any committee thereof) of the Corporation;

- (D) of which counsel is aware, any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which it is bound; or
  - (E) of which counsel is aware, any judgment, decree or order, of any court, governmental agency or body or regulatory authority having jurisdiction over or binding the Corporation or its properties or assets or would impair the ability of the Corporation to consummate the transactions contemplated hereby or to duly observe and perform any of its covenants or obligations contained in this Agreement and the Warrant Indenture;
- (iv) the Offered Securities have been validly issued as fully paid and, if applicable, non-assessable securities of the Corporation;
  - (v) the Corporation is a reporting issuer in each of the Qualifying Provinces, and is not included in a list of defaulting reporting issuers maintained pursuant to the applicable securities legislation of such provinces, and is eligible to participate in NI 44-101 in each of the Qualifying Provinces;
  - (vi) the attributes of the Offered Securities conform in all material respects with the description thereof contained in the Prospectuses;
  - (vii) the Offered Securities and Warrant Shares are "qualified investments" as set out under the heading "Eligibility for Investment" in the Prospectuses;
  - (viii) all necessary documents have been filed, all necessary proceedings have been taken and all legal requirements have been fulfilled as required under the Applicable Securities Laws of each of the Qualifying Provinces in order to qualify the Offered Securities for distribution and sale to the public in each of such Qualifying Provinces by or through persons duly registered under the Applicable Securities Laws of such provinces who have complied with the relevant provisions of such Applicable Securities Laws;
  - (ix) the Corporation has the necessary corporate power and authority to execute and deliver the Prospectuses and all necessary corporate action has been taken by the Corporation to authorize the execution and delivery by it of the Prospectuses and the filing thereof, as the case may be, in each of the Qualifying Provinces in accordance with Applicable Securities Laws in the Qualifying Provinces;
  - (x) the Offered Securities and Warrant Shares are conditionally approved for listing and subject only to customary post-closing conditions;
  - (xi) no filing, proceeding, approval, consent or authorization is required to be made, taken or obtained by the Corporation under Applicable Securities Laws to permit the issuance by the Corporation of the Warrant Shares upon the exercise of the Warrants, provided that no commission or other remuneration is paid or given in respect of the distribution except for administrative or professional services or for services performed by a registered dealer;

- (xii) Odyssey Trust Company, at its principal offices in Vancouver, British Columbia has been duly appointed the transfer agent and registrar for each of the Common Shares and the Warrants;
- (xiii) the form and terms of the definitive certificates representing each of the Common Shares and the Warrants have been duly approved and adopted by the board of directors of the Corporation and comply with all legal requirements (including the requirements of the Exchange) relating thereto; and
- (xiv) the authorized and issued capital of the Corporation.

It is understood that the respective counsel may rely on the opinions of local counsel acceptable to them as to matters governed by the laws of jurisdictions other than where they are qualified to practice law, and on certificates of officers of the Corporation, the transfer agent and the Corporation's auditor as to relevant matters of fact;

- (b) if any Offered Securities are sold in the United States, a favourable legal opinion, in form and substance reasonably satisfactory to the Agents, which opinion may be subject to usual and customary qualifications for opinions of this type, to the effect that no registration under the U.S. Securities Act is required for the offer and sale of the Units and Offered Securities in the United States in accordance with the terms of this Agreement, including Schedule "A" attached hereto;
- (c) a certificate of the Corporation dated the Closing Date addressed to the Agents and signed on behalf of the Corporation by the Chief Executive Officer and the Chief Financial Officer of the Corporation or such other officers of the Corporation satisfactory to the Agents, acting reasonably, certifying, on behalf of the Corporation and without personal liability, that:
  - (i) the Corporation has, in all material respects, complied with and satisfied all terms and conditions of this Agreement on its part to be complied with or satisfied at or prior to the Closing Time;
  - (ii) the representations and warranties of the Corporation set forth in this Agreement are true and correct in all material respects at the Closing Time (except for those representations and warranties that are subject to a materiality qualification, which are to be true and correct as of the Closing Time in all respects), as if made at such time;
  - (iii) no event of a nature referred to in subsection 5(a), 5(b), 11(a)(i), 11(a)(ii) or 11(a)(iii) has occurred or to the knowledge of such officer is pending, contemplated or threatened (excluding any requirement to make any determination as to any Agents' opinion);
  - (iv) there have been no material changes to the Due Diligence Responses not disclosed to the Agents, in writing; and
  - (v) such other matters as may be reasonably requested by the Agents or the Agents' counsel;

and each such statement shall be true and the Agents shall have no knowledge to the contrary;

- (d) a comfort letter of the Corporation's auditor and those other auditors required to provide a "comfort letter" pursuant to subsection 3(c) addressed to the Agents and dated the Closing Date satisfactory in form and substance to the Agents, acting reasonably, bringing the information contained in the comfort letters referred to in subsection 3(c) hereof up to the Closing Time which comfort letters shall be not more than two Business Days prior to the Closing Date;
- (e) an executed and delivered copy of each Lock-Up Agreement;
- (f) evidence satisfactory to the Agents that the Corporation has obtained all necessary third party approvals and all necessary approvals of the Exchange for the issuance of the Offered Securities and the issuance and listing of the Offered Securities and Warrant Shares, subject only to the filing of the Prospectuses and ancillary documentation in respect of the Offered Securities and required documents which are in the possession of the Corporation on the Closing Date and payment of applicable fees; and
- (g) such other certificates and documents as the Agents may request, acting reasonably.

### 13. Deliveries

- (a) The sale of the Offered Securities hereunder shall be completed at the Closing Time at the offices of the Corporation's counsel in Calgary, Alberta or at such other place as the Corporation and the Lead Agent may agree. Subject to the conditions set forth in Section 12, the Agents, on the Closing Date, shall deliver to the Corporation, by wire transfer, the gross proceeds from the sale of the Offered Securities sold on the Closing Date against delivery by the Corporation of:
  - (i) the opinions, certificates and documents referred to in Section 12; and
  - (ii) definitive certificates or evidence of book-entry registration as set out in subsection 13(c) representing, in the aggregate, all of the Offered Securities which the Agents have sold hereunder registered, subject to subsection 13(c) below, in the name of CDS & Co. or in such name or names as the Agents shall notify the Corporation in writing not less than 24 hours prior to the Closing Time; and
  - (iii) payment to or as directed by the Lead Agent, by wire transfer or such other means as the Corporation and the Lead Agent may agree, of the Agency Fee and Corporate Finance Fee provided for in Section 9 in respect of the Offered Securities.
- (b) the sale of the Over-Allotment Units shall be completed at the offices of the Corporation's counsel in Calgary, Alberta or at such other place as the Corporation and the Lead Agent may agree, on the date (the "**Additional Closing Date**") and at the time ("**Additional Closing Time**") specified by the Agents in the written notice given by the Agents pursuant to their election to sell such Over-Allotment Units (provided that in no event shall such time be earlier than the Closing Time or later than ten Business Days after the date of the written notice of the Agents to the Corporation in respect of the Over-Allotment Units), or at such other time and date as the Lead Agent and the Corporation may agree upon in



writing. Subject to the conditions set forth in Section 12 (with the references therein to the Closing Time changed to the Additional Closing Time), the Agents, at the Additional Closing Time, shall deliver to the Corporation, by wire transfer, the gross proceeds of the sale of the Over-Allotment Units against delivery by the Corporation of:

- (i) the opinions, certificates and documents referred to in Section 12 (with the references therein to the Closing Time and Closing Date changed to the Additional Closing Time and Additional Closing Date respectively);
- (ii) definitive certificates or evidence of non-certificate registration as set out in subsection 13(c) representing, in the aggregate, all of the Over-Allotment Units which the Agents have sold pursuant to the exercise of the Agents' Option hereunder registered, subject to subsection 13(c) below, in the name of CDS & Co. or in such name or names as the Agents shall notify the Corporation in writing not less than 24 hours prior to the Additional Closing Time; and
- (iii) payment to or as directed by the Agents by certified cheque, bank or wire transfer or such other means as the Corporation and the Agents may agree, of the Agency Fee and Corporate Finance Fee provided for in Section 9 in respect of the Over-Allotment Units.

Whether or not specifically contemplated in this Agreement, all provisions of this Agreement shall apply in the same manner and upon the same terms and conditions in respect of any Over-Allotment Units as would apply to the Units issued and sold pursuant to this Agreement, and any steps to be taken or conditions to be satisfied at the Additional Closing Time shall be the same as those steps to be taken or conditions to be satisfied at Closing Time.

- (c) If the Corporation determines to issue the Offered Securities as a book-entry only security in accordance with the rules and procedures of the Canadian Depository for Securities Limited ("**CDS**"), then, as an alternative to the Corporation delivering to the Agents definitive certificates representing the Units (including the Unit Shares and the Warrants) in the manner and at the times set forth in this Section 13:
  - (i) the Agents will provide a direction to CDS with respect to the crediting of the Offered Securities to the accounts of the participants of CDS as shall be designated by the Agents in writing in sufficient time prior to the Closing Date to permit such crediting; and
  - (ii) the Agents shall have received one or more certificates and/or book-entry only securities in accordance with the "non-certificated inventory" rules and procedures of CDS evidencing the Units (including the Common Shares and the Warrants).
- (d) Notwithstanding anything to the contrary contained herein, all Offered Securities sold pursuant to Rule 506(b) of Regulation to purchasers who do not qualify as "qualified institutional buyers" within the meaning of Rule 144A under the U.S. Securities Act, shall be represented by individual, fully registered definitive certificates, and for greater certainty, such Unit Shares and Warrants shall not be registered in the name of "CDS & Co." Each such certificate shall bear a legend describing the applicable restrictions on transfer of such Offered Securities imposed by the U.S. Securities Act, in the form set forth in the U.S. Placement Memorandum.

#### 14. **Right of First Refusal**

The Corporation hereby irrevocably grants to the Lead Agent a right of first refusal to act as lead agent and sole book runner in the event the Corporation undertakes a public or private offering of debt (excluding mortgage debt or any other form of property level financing), equity or equity-based securities, or receives an unsolicited takeover bid, or engages in any corporate transaction involving a merger or acquisition with industry peers, potential partners, or a purchase or sale of assets, or if the Corporation otherwise requires financial advisory services, for a period that is twelve (12) months following the Closing Date. The Corporation shall give the Lead Agent written notice of any such financing or other advisory engagement it proposes to undertake, or has received a proposal to undertake, setting forth the terms thereof (including the commission payable to those agents), and, where a financing is proposed by an investment advisor or other market intermediary, the term sheet proposed by the investment advisor or other market intermediary shall be attached to the notice. The Lead Agent shall have a period of five (5) Business Days within which to give written notice (the "**ROFR Notice**") to the Corporation that it wishes to exercise the right of first refusal and accept the terms of the proposed financing or their wish to act as sponsor or advisor, as the case may be. If the ROFR Notice is delivered by the Lead Agent, the Corporation shall allocate the proposed financing to the Lead Agent (unless the Lead Agent otherwise agrees in writing) and shall designate the Lead Agent as the lead selling agent or underwriter, as the case may be, for such proposed financing or shall allow the Lead Agent to act as such sponsor or advisor as outlined in the notice from the Corporation. If the ROFR Notice is not delivered by the Lead Agent within the prescribed period or the Lead Agent otherwise advises the Corporation that it will not exercise the right of first refusal, the Corporation shall be entitled to pursue the financing or such other advisory engagement on the same terms or terms no less favourable than those set forth in the written notice to the Lead Agent and term sheet, as applicable, provided that such arrangements are entered into within sixty (60) days of the termination of the prescribed period. The right of first refusal will not be terminated with respect to any future financing or other advisory engagement if, on receipt of any notice from the Corporation under this Section 14, the Lead Agent fails to exercise the right.

#### 15. **Restrictions on Offerings**

The Corporation agrees that, from the date hereof and ending on the date that is 120 days following the date of the Final Passport System Decision Document, it will not issue, offer, or announce the offering of, or make or announce any agreement to issue, sell, or exchange Common Shares or securities convertible or exchangeable into Common Shares without the prior consent of the Lead Agent, not to be unreasonably withheld, provided that notwithstanding the foregoing, the Corporation may, without such consent: (i) grant options to directors, officers, consultants or employees of the Corporation pursuant to the Corporation's board approved stock option plan; (ii) issue Common Shares on exercise of outstanding stock options granted under such plan and upon exercise of outstanding rights, agreements, warrants and other convertible securities; and (iii) issue Common Shares to acquire, directly or indirectly, an interest or interests in oil and gas properties and related assets. The Corporation further acknowledges and understands that if the Corporation does not proceed with the Offering for any reason reason(s) within the scope of its control, and within six months of the date thereof the Corporation enters into a binding agreement in respect of one or more transactions, each an "Alternative Transaction" (as defined below), subject to receipt of all necessary regulatory approvals, the Corporation agrees to pay to the Lead Agent a cash commission ("**Alternative Transaction Commission**") equal to 6.0% of the value of each Alternative Transaction. The Alternative Transaction Commission shall be payable immediately following the completion of the Alternative Transaction.

An "Alternative Transaction" means any equity financing involving the Corporation with any arm's length party introduced to the Corporation in the course of the Offering (whether or not such party was previously known to the Corporation).

## 16. Notices

Any notice or other communication to be given hereunder shall, in the case of notice to be given to the Corporation be addressed to the Corporation, c/o Arthur Halleran, President and Chief Executive Officer, at the address listed on the first page hereof (Email: arth@trillionenergy.com), with a copy to:

**DS Lawyers Canada LLP**  
Suite 800, 333 – 7<sup>th</sup> Avenue S.W.  
Calgary Alberta T2P 2Z1

Attention: Dale Burstall  
Email: DBurstall@dsavocats.ca

and to:

**Echelon Wealth Partners Inc.**  
Suite 400, 525 – 8<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 1G1

Attention: Ryan Mooney  
Email: rmooney@echelonpartners.com

and to:

**Research Capital Corporation**  
Suite 4500, 199 Bay Street  
Toronto, Ontario M5L 1G2

Attention: Kevin Shaw  
Email: kshaw@researchcapital.com

and a copy to:

**Burnet, Duckworth & Palmer LLP**  
Suite 2400, 525 – 8<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 1G1

Attention: Nigel Behrens or Austin Fruson  
Email: nbehrens@bdplaw.com or afruson@bdplaw.com

or to such other address as the party may designate by notice given to the other. Each communication shall be personally delivered to the addressee or sent by facsimile transmission to the addressee, and:

- (a) a communication which is personally delivered shall, if delivered before 4:00 p.m. (local time at the place of delivery) on a Business Day, be deemed to be given and received on

that day and, in any other case be deemed to be given and received on the first Business Day following the day on which it is delivered; and

- (b) a communication which is sent by facsimile transmission shall, if sent on a Business Day before 4:00 p.m. (local time at the place of receipt), be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is sent.

## **17. Conditions**

All terms, covenants and conditions of this Agreement to be performed by the Corporation shall be construed as conditions, and any breach or failure to comply with any material terms and conditions which are for the benefit of the Agents shall entitle the Agents to terminate their obligations to place the Offered Securities, by written notice to that effect given to the Corporation prior to the Closing Time. The Agents may waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, term or condition hereof, or extend the time for compliance therewith, without prejudice to any of their rights in respect of any other representation, warranty, term or condition hereof or any other breach of, default under or non-compliance with any other representation, warranty, term or condition hereof, provided that any such waiver or extension shall be binding on an Agent only if the same is in writing and signed by such Agent.

## **18. Survival of Representations and Warranties**

All representations, warranties, terms and conditions herein (including, without limitation, those contained in Section 6) or contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated herein shall survive the payment by the Agents for the Offered Securities and the distribution of the Offered Securities pursuant to the Prospectus and the U.S. Placement Memorandum and shall continue in full force and effect for the benefit of the Agents regardless of any investigation by or on behalf of the Agents with respect thereto.

## **19. Authority to Bind Agents**

The Corporation shall be entitled to and shall act on any notice, waiver, extension or communication given by the Lead Agent, which shall represent the Agents, and which shall have the authority to bind the Agents in respect of all matters hereunder, except in respect of any settlement under Section 7 or 8 or any matter referred to in Section 11 or Section 16.

## **20. Agents' Covenants**

The Agents covenant and agree with the Corporation that they will:

- (a) offer the Offered Securities for sale to the public, directly and through sub-agents, if any, in compliance with the Applicable Securities Laws and upon the terms and conditions set forth in the Prospectuses, any Supplementary Material and in this Agreement, including Schedule "A" hereto. The Agents shall be obligated only to use their commercially reasonable efforts to find purchasers for the Offered Securities and shall, except as otherwise contemplated hereunder, be under no obligation to purchase any Offered Securities as principal, or to retain any sub-agents. Notwithstanding the foregoing, the Agents will not be liable to the Corporation under paragraph 20(a) with respect to a default by any sub-agent under this paragraph 20(a) if the Agents are not themselves also in default;

- (b) conduct activities in connection with the proposed distribution of the Units and Offered Securities in compliance with all Applicable Securities Laws and applicable United States federal and state securities laws, including as set forth in Schedule "A", and cause a similar covenant to be contained in any written agreement entered into with any Selling Dealer Group established in connection with the distribution of the Offered Securities;
- (c) not solicit subscriptions for the Offered Securities, trade in Offered Securities or otherwise do any act in furtherance of a trade of Offered Securities in any jurisdictions outside of the Qualifying Provinces, except as contemplated in Schedule "A" attached hereto or in such other jurisdictions outside of Canada and the United States provided that such sales are made in accordance with the applicable securities laws of such jurisdictions and with the agreement of the Corporation; and
- (d) as soon as reasonably practicable after the Closing Date (and in any event within 30 days thereof) provide the Corporation with a breakdown of the number of Offered Securities sold in each of the Qualifying Provinces and, upon completion of the distribution of the Offered Securities, provide to the Corporation and to the Securities Commissions notice to that effect, if required by Applicable Securities Laws.

## **21. Severance**

If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

## **22. Relationship Between the Corporation and the Agents**

The Corporation: (i) acknowledges and agrees that the Agents have certain statutory obligations as registrants under the Applicable Securities Laws and have relationships with their clients; (ii) acknowledges and agrees that the Agents are neither the Agents of the Corporation nor otherwise fiduciaries of the Corporation; and (iii) consents to the Agents acting hereunder while continuing to act for their clients. To the extent that the Agents' statutory obligations as registrants under the Applicable Securities Laws or relationships with their clients conflicts with their obligations hereunder the Agents shall be entitled to fulfill their statutory obligations as registrants under the Applicable Securities Laws and their duties to their clients. Nothing in this Agreement shall be interpreted to prevent the Agents from fulfilling their statutory obligations as registrants under the Applicable Securities Laws or duties to their clients.

## **23. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. Each of the Corporation and the Agents hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta.

## **24. Time of the Essence**

Time shall be of the essence of this Agreement.

**25. Counterpart Execution**

This Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile transmission.

**26. Further Assurances**

Each party to this Agreement covenants and agrees that from time to time, it will, at the request of the requesting party, execute and deliver all such documents and do all such other acts and things as any party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

**27. Use of Proceeds**

The Corporation agrees to use the proceeds from the issuance and sale of the Offered Securities, if applicable, in accordance with the disclosure in the Prospectuses, subject to the qualifications set forth therein.

**28. Compliance with U.S. Securities Laws**

- (a) The Agents make the representations, warranties, covenants and agreements applicable to them in Schedule "A" hereto and agree, on behalf of themselves and their U.S. Affiliates, for the benefit of the Corporation, to comply with the U.S. selling restrictions imposed by the laws of the United States and set forth in Schedule "A" hereto, which forms part of this Agreement. Notwithstanding the foregoing provisions of this section, an Agent will not be liable to the Corporation under this section or Schedule "A" with respect to a violation by another Agent or its U.S. Affiliate(s) of the provisions of this section or Schedule "A" if the former Agent or its U.S. Affiliate, as applicable, is not itself also in violation.
- (b) The Corporation makes the representations, warranties, covenants and agreements applicable to it in Schedule "A" hereto.

**29. Entire Agreement**

It is understood that this Agreement represents the entire agreement between the parties with respect to the subject matter hereof and the terms and conditions of this Agreement supersede any previous verbal or written agreement between the Agents and the Corporation, including without limiting the generality of the foregoing, the engagement letter between the Lead Agent and the Corporation dated November 10, 2021, the addendum dated January 13, 2022 and the amending agreement dated March 10, 2022.

*[The remainder of this page was intentionally left blank]*

If the foregoing is in accordance with your understanding and is agreed to by you, please confirm your acceptance by signing the enclosed copies of this letter at the place indicated and by returning the same to Lead Agent.

**ECHELON WEALTH PARTNERS INC.**

**RESEARCH CAPITAL CORPORATION**

Per: (signed) "Ryan Mooney"  
Authorized Signatory

Per: (signed) "Kevin Shaw"  
Authorized Signatory

ACCEPTED AND AGREED to as of the date of this Agreement.

**TRILLION ENERGY INTERNATIONAL  
INC.**

Per: (signed) "Arthur Halleran"  
Arthur Halleran  
President and Chief Executive Officer

**SCHEDULE "A"**  
**U.S. TERMS AND CONDITIONS**

*This is Schedule "A" to the Agency Agreement among Echelon Wealth Partners Inc. and Research Capital Corporation (each, an "Agent"), and Trillion Energy International Inc. (the "Corporation"), dated effective as of June 24, 2022.*

As used in this schedule, the following terms shall have the meanings indicated:

|  |   |
|--|---|
| <b>Accredited Investor</b>                         | means an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act;   |
| <b>Directed Selling Efforts</b>                    | means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities, the Securities Shares or the Warrants, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Securities; |
| <b>Foreign Corporation</b>                         | means "foreign Corporation" as that term is defined in Rule 902(e) of Regulation S;   |
| <b>General Solicitation or General Advertising</b> | means "general solicitation" or "general advertising" (as those terms are used in Rule 502(c) of Regulation D), including but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine, or similar media, on the internet or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;   |
| <b>Securities</b>                                  | means, collectively, the Securities, the Unit Shares and Warrants comprising the Securities, and the Warrant Shares;  |
| <b>Offshore Transaction</b>                        | means an "offshore transaction" as that term is defined in Rule 902(h) of Regulation S;   |
| <b>Regulation S</b>                                | means Regulation S adopted by the SEC under the U.S. Securities Act;  |
| <b>Substantial U.S. Market Interest</b>            | means "substantial U.S. market interest" as defined in Rule 902(j) of Regulation S;   |
| <b>U.S. Exchange Act</b>                           | means the United States Securities Exchange Act of 1934, as amended, including the rules and regulations adopted by the SEC thereunder; and   |



**U.S. Subscription Agreement** means the final form of Subscription Agreement as agreed to by the Agent and the Corporation, substantially in the form attached to the U.S. Placement Memorandum.

All other capitalized terms used but not otherwise defined in this Schedule "A" shall have the meanings assigned to them in the Agency Agreement to which this Schedule "A" is attached.

Representations, Warranties and Covenants of the Agents

Each Agent acknowledges that the Securities have not been and will not be registered under the U.S. Securities Act or applicable state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. Person or person in the United States, except in accordance with an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, each Agent, on behalf of itself and its U.S. Affiliate, represents, warrants and covenants to and with the Corporation that:

1. The Securities are being offered and sold (a) by the Agent outside the United States to non-U.S. Persons in Offshore Transactions in accordance with Rule 903 of Regulation S, or (b) by the Agent through its U.S. Affiliate in the United States or to, or for the benefit or account of, U.S. Persons or persons in the United States as provided herein to Accredited Investors in accordance with the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D and similar exemptions under applicable state securities laws. Accordingly, none of the Agent, its affiliates, nor any persons acting on its or their behalf, has made or will make (except as permitted hereby) (i) any offer to sell or any solicitation of an offer to buy, any Securities in the United States or to, or for the benefit or account of, U.S. Persons or persons in the United States, (ii) any sale of Securities to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States and not purchasing for the account or benefit of a person in the United States or a U.S. Person, or the Agent, affiliate or person acting on behalf of such purchaser reasonably believed that such purchaser was outside the United States and was not purchasing for the account or benefit of a person in the United States or a U.S. Person, or (iii) any Directed Selling Efforts.
2. All offers of Securities to persons in the United States or persons acting for the account or benefit of U.S. Persons or persons in the United States have been or will be made by the U.S. Affiliate in accordance with applicable U.S. federal and state laws and regulations governing registration and conduct of broker-dealers.
3. Its U.S. Affiliate is a duly registered broker-dealer under Section 15(b) of the U.S. Exchange Act and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. in each case, on the date hereof and on the date offers and sales were or will be made in the United States.
4. Any offers or solicitations of an offer to buy the Securities that have been made in the United States or to, or for the account or benefit of, U.S. Persons or persons within the United States were or will be made only to Accredited Investors in transactions that are exempt from registration pursuant to Rule 506(b) of Regulation D under the U.S. Securities Act and available exemptions from registration or qualification under all applicable state securities laws.
5. Immediately prior to any offer of the Securities by the Agent, the Agent or its U.S. Affiliate had a pre-existing relationship with such offeree and had or will have reasonable grounds to believe and did or will believe that each such offeree was an Accredited Investor and at the time of completion

of each sale to any such offerees, the Agent, its U.S. Affiliate, their affiliates, and any person acting on its or their behalf had or will have reasonable grounds to believe and did or will believe at the time of completion of each such sale, that each purchaser purchasing Securities and any person on behalf of whom such purchaser is acquiring Securities is an Accredited Investor.

6. None of the Agent or its U.S. Affiliate or any person acting on its or their behalf has used or will use any form of General Solicitation or General Advertising or has offered or will offer to sell the Securities in any manner involving a public offering in the United States within the meaning of Section 4(a)(2) of the U.S. Securities Act.
7. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Securities except with its affiliates, any Selling Dealer Group members or with the prior written consent of the Corporation. It shall cause its U.S. Affiliate and each affiliate or Selling Dealer Group member participating in the distribution of the Securities to agree, for the benefit of the Corporation, to the same provisions contained in this Schedule "A" as apply to the Agent as if such provisions applied to such persons.
8. All purchasers of Securities shall be informed that the Securities have not been and will not be registered under the U.S. Securities Act or applicable state securities laws and the Securities are being offered and sold to them without registration under the U.S. Securities Act in reliance upon an exemption from the registration requirement of Section 5 of the U.S. Securities Act provided by Rule 506(b) of Regulation D and in reliance upon exemptions from applicable state securities laws.
9. Prior to completion of any sale of the Securities in the United States, to a U.S. Person, to a purchaser purchasing on behalf of a U.S. Person or a person in the United States, or to a purchaser who was offered Securities in the United States (each, a "U.S. Purchaser"), each U.S. Purchaser will be required to execute a U.S. Subscription Agreement containing certain representations, warranties and covenants required to be given by U.S. Purchasers.
10. At the Closing Time and any Additional Closing Time, it will either (i) together with its U.S. Affiliate offering Securities, provide a certificate substantially in the form of Exhibit A to this Schedule, relating to the manner of the offer and sale of the Securities in the United States and to, or for the account or benefit of, U.S. Persons, or (ii) be deemed to represent and warrant to the Corporation that none of it, any of its affiliates or any person acting on its or their behalf has offered any of the Securities in the United States, to U.S. Persons, or to persons who are acting for the account or benefit of U.S. Persons or persons in the United States.
11. Neither the Agent, its U.S. Affiliate, their respective affiliates nor any person acting on its or their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Securities.
12. The Agent agrees that all certificates representing the Securities sold to U.S. Purchasers as part of the Offering, and all certificates issued in exchange for or in substitution of the foregoing Securities, will bear a legend as set forth in the the Subscription Agreement.
13. At least one business day prior to the Closing Time and any Additional Closing Time, it will provide the Corporation and the Corporation's transfer agent with a list of all purchasers of the Securities that are U.S. Purchasers.

15. Each offeree has been or will be provided with a copy of the U.S. Placement Memorandum and the Canadian Prospectus, and no other written material has been or will be used in connection with the offer and sale of Securities in the United States and to, or for the account or benefit of, U.S. Persons.
16. The Agent represents and warrants that with respect to Securities to be sold in reliance on Rule 506(b) of Regulation D, none of it, its U.S. Affiliate, or any of its or its U.S. Affiliate's directors, executive officers, general partners, managing members or other officers participating in the offering of the Securities, or any other person associated with the Agent or its U.S. Affiliate who will receive, directly or indirectly, remuneration for solicitation of purchasers pursuant to Rule 506(b) of Regulation D (each, a "Dealer Covered Person" and, together, "Dealer Covered Persons"), is subject to any Disqualification Event (as defined below) except for a Disqualification Event (i) covered by Rule 506(d)(2)(i) of Regulation D and (ii) a description of which has been furnished in writing to the Corporation prior to the date hereof or, in the case of a Disqualification Event occurring after the date hereof, prior to the Closing Date and any Additional Closing Date.
17. The Agent represents that it is not aware of any person other than a Dealer Covered Person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Securities pursuant to Rule 506(b) of Regulation D. It will notify the Corporation, prior to the Closing Date and any Additional Closing Date of any agreement entered into between it and any such person in connection with such sale.
18. The Agent will notify the Corporation, in writing, prior to the Closing Date and any Additional Closing Date, of (i) any Disqualification Event relating to any Dealer Covered Person not previously disclosed to the Corporation in accordance with Section 16, and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Dealer Covered Person.

#### Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, covenants and agrees to and with the Agent and the U.S. Affiliate that:

1. The Corporation is not, and as a result of the sale of the Securities contemplated hereby will not be, registered or required to be registered as an "investment company" pursuant to the United States Investment Company Act of 1940, as amended.
2. Except with respect to offers made through the Agents and their U.S. Affiliates and sales to Accredited Investors who are in the United States, or purchasing for the account or benefit of any U.S. Person or person in the United States, in reliance upon the exemption from registration under Rule 506(b) of Regulation D, neither the Corporation nor any of its affiliates, nor any person acting on its or their behalf (except the Agents, their affiliates and any person acting on any of their behalf, as to which no representation, warranty, covenant or agreement is made), has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Securities to, or for the account or benefit of, any person in the United States or a U.S. Person; or (B) any sale of Securities unless, at the time the buy order was or will have been originated, the purchaser is not purchasing for the account or benefit of any person in the United States or a U.S. Person and is (i) outside the United States or (ii) the Corporation, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States and not a U.S. Person.
3. Neither the Corporation nor any of its affiliates, nor any person acting on its behalf (except the Agents, their affiliates and any person acting on any of their behalf, as to which no representation,

warranty, covenant or agreement is made) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Securities.

4. During the period in which the Securities are offered for sale, none of the Corporation, its affiliates or any person acting on its or their behalf (except the Agents, their affiliates and any person acting on any of their behalf, as to which no representation, warranty, covenant or agreement is made) (i) has engaged or will engage in any form of General Solicitation or General Advertising with respect to offers or sales of the Securities in the United States or (ii) has made or will make any Directed Selling Efforts in the United States.
5. Neither the Corporation nor any of its affiliates has offered or sold, for a period of six months prior to commencement of the offering of the Securities, and will not offer or sell, any securities in a manner that would be integrated with the offer and sale of the Securities and would cause the exemption from registration set forth in Rule 506(b) of Regulation D or the exclusion from registration provided by Rule 903 of Regulation S to become unavailable with respect to the offer and sale of the Securities hereunder.
6. None of the Corporation or any of its affiliates or any person acting on its or their behalf has offered or sold or will offer or sell any of the Securities sold pursuant to the offering of Securities except through the Agents or their U.S. Affiliates in accordance with this Schedule.
7. The Corporation shall cause a Form D to be filed with the SEC within 15 days of the first sale of Securities in reliance upon Regulation D and shall make such other filings within the prescribed filing deadlines as shall be required by applicable state securities laws to secure exemption from registration under such securities laws for the sale of the Securities in such states.
8. Neither the Corporation nor any of the predecessors or affiliates thereof has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D concerning the filing of notice of sales on Form D.
9. With respect to Securities to be offered and sold hereunder in reliance on Rule 506(b) of Regulation D (the "**Regulation D Securities**"), none of the Corporation, any of its predecessors, any affiliated issuer, any director, executive officer or other officer of the Corporation participating in the offering, any beneficial owner of 20% or more of the Corporation's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Corporation in any capacity at the time of sale of the Securities (but excluding the Agents and their U.S. Affiliates, as to whom no representation, warranty or covenant is made) (each, an "**Corporation Covered Person**" and, collectively, the "**Corporation Covered Persons**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under Regulation D (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under Regulation D. The Corporation has exercised reasonable care to determine whether any Corporation Covered Person is subject to a Disqualification Event. If applicable, the Corporation has complied with its disclosure obligations under Rule 506(e) under Regulation D and has furnished to the Agents and their U.S. Affiliates a copy of any disclosures provided thereunder.
10. The Corporation's Common Shares is a class of securities registered pursuant to Section 12 of the U.S. Exchange Act and the Corporation is subject to the reporting requirements of Section 13(a) of the U.S. Exchange Act, and the Corporation is in compliance in all material respects with its obligations under the U.S. Exchange Act.

11. The Corporation is, and as of the Closing Time and any Additional Closing Time will be, a Foreign Corporation and reasonably believes that there is no Substantial U.S. Market Interest in its Common Shares or Warrants.

**EXHIBIT A**  
**AGENT'S CERTIFICATE**

In connection with the private placement in the United States of the Units and Offered Securities of Trillion Energy International Inc. (the "Corporation") pursuant to the agency agreement dated effective June 24, 2022 among the Corporation and the Agents named therein (the "Agency Agreement"), each of the undersigned does hereby certify in favour of the Corporation as follows:

I. \_\_\_\_\_ (the "U.S. Affiliate") is on the date hereof and was on the date of each offer and sale of Units made by it in the United States duly registered as a broker or dealer with the SEC under the U.S. Securities Exchange Act of 1934, as amended, and in each applicable state pursuant to such state's broker-dealer laws (unless exempted from the respective state's broker-dealer registration requirements), and is on the date hereof and at all relevant times was a member of and in good standing with the Financial Industry Regulatory Authority (FINRA), and all offers and sales of Units and Offered Securities in the United States have been effected by or through the U.S. Affiliate in accordance with all U.S. federal and state broker-dealer requirements and in compliance with applicable state securities laws;

II. the Units and Offered Securities offered and sold by us in the United States have been offered only by the U.S. Affiliate and were sold directly by the Corporation to Accredited Investors;

III. each person in the United States offered Units or Offered Securities by us was provided with a copy of the U.S. Placement Memorandum for the offering of the Units and Offered Securities in the United States and no other written material has been or will be used by us in connection therewith;

IV. immediately prior to our transmitting a U.S. Placement Memorandum to such offerees, we had reasonable grounds to believe and did believe that each such offeree was, and continue to believe on the date hereof that each such offeree purchasing Units or Offered Securities who is in the United States or who was offered Offered Securities in the United States is, an Accredited Investor;

V. no form of General Solicitation or General Advertising was used by us in connection with offers or sales of the Units and Offered Securities, nor have we solicited offers for, offered to sell or sold the Units and Offered Securities by any means involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act; and

VI. the offer and sale of the Units and Offered Securities has been conducted by us in accordance with the terms of the Agency Agreement, including Schedule "A" attached thereto.

Unless otherwise defined, capitalized terms used in this certificate have the meanings given to them in the Agency Agreement, including Schedule "A" attached thereto.

Dated ●, 2022.

**[Agent]**

**[U.S. Broker-Dealer Affiliate of Agent]**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title: