

# Offering Memorandum

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. The information disclosed on this page is a summary only. Purchasers should read the entire Offering Memorandum for full details about the Offering. This is a risky investment. See Item 8 Risk Factors.

Date: June 28, 2017

The Issuer: N.A. Energy Resources Investment Corporation  
(formerly Kentucky Petroleum Investment Corp.)  
(the “Corporation” or the “Issuer”)

Suite 1290, 625 Howe Street  
Vancouver, British Columbia V6C 2T6

Phone: (604) 259-2525

Fax: (604) 674-5113

Email: info@energyresourcescorp.ca

Currently listed or quoted? No. These securities do not trade on any exchange or market.

Reporting Issuer? No.

SEDAR filer? No.

## The Offering

<b>Securities Offered:</b>	Class “C” non-voting shares (referred to herein as the “ <b>Class C Shares</b> ” or the “ <b>securities</b> ”).
<b>Price Per Security:</b>	\$1.00
<b>Minimum/Maximum Offering Amount:</b>	\$20,000,000 maximum (20,000,000 Class C Shares). <b>There is no minimum. You may be the only purchaser. Funds available under the Offering may not be sufficient to accomplish our proposed objectives.</b>
<b>Minimum Subscription Amount per Subscriber:</b>	\$10,000* (10,000 Class C Shares)  *The Corporation may lower the Minimum subscription amount per Subscriber to \$500 at its sole discretion.
<b>Payment Terms:</b>	Payment in full by certified cheque or bank draft of the subscription price is to be made with the delivery of a duly executed and completed subscription agreement. <b>See Item 5.2 Subscription Procedure.</b>
<b>Proposed Closing Date(s):</b>	Continuous offering until the maximum offering is achieved. Closings may occur from time to time as subscriptions are received.
<b>Income Tax Consequences:</b>	There are important tax consequences to these securities. <b>See Item 6 Income Tax Consequences and Deferred Plan Eligibility.</b>
<b>Resale Restrictions:</b>	<b>You will be restricted from selling your securities for an indefinite period. See Item 10 Resale Restrictions.</b>
<b>Purchasers’ Rights:</b>	You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. <b>See Item 11 Purchasers’ Rights.</b>
<b>Selling Agents:</b>	Where allowed by applicable securities legislation, the Corporation intends to offer compensation of up to 8% of the gross proceeds realized on the sale of Class C Shares under this Offering to any one of, or a combination of, the following parties: unrelated investment dealers, unrelated Exempt Market Dealers and/or their dealing representatives, parties related to the Corporation, employees and/or contractors of such parties, and officers and directors of the Corporation. All compensation for the sale of Class C Shares of the Corporation will be paid on the Corporation’s behalf by Permex LP. <b>See Item 7 Compensation Paid to Sellers and Finders.</b>

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## **NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Offering Memorandum contains forward-looking statements. These statements relate to future events of the Corporation and Permex LP's future performance. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "intend", "could", "might", "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Offering Memorandum may contain forward-looking statements attributed to third-party industry sources. Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking statements contained in this Offering Memorandum are expressly qualified by this cautionary statement. The Corporation is not under any duty to update any of the forward-looking statements after the date of this Offering Memorandum to conform such statements to actual results or to changes in the Corporation's expectations except as otherwise required by applicable legislation.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents are incorporated by reference as part of this Offering Memorandum:

- (a) the marketing materials related to this Offering current as at the date of this Offering Memorandum, delivered or made reasonably available to a prospective purchaser; and
- (b) the marketing materials related to this Offering which may be prepared after the date of this Offering Memorandum and delivered or made reasonably available to a prospective purchaser prior to the termination of this Offering.

## GLOSSARY OF TERMS

In this Offering Memorandum, unless the context otherwise requires, the following words and terms shall have the indicated meanings and grammatical variations of such words and terms shall have corresponding meanings:

“**Act**” means the *Partnership Act* (British Columbia).

“**Administration Fee**” means the fee, equal to up to 5% of the gross proceeds of the Permex LP Offering, paid to N.A. Energy Resources Corp. by the General Partner out of the GP Expense Amount in consideration for administrative services to Permex LP under the Management Agreement.

“**Asset Management Fee**” means the fee, equal to 0.5% of the fair market value of the net assets of Permex LP, paid by Permex LP to the Manager monthly, in arrears, pursuant to the Management Agreement.

“**BCA**” means the *Business Corporations Act* (British Columbia).

“**CDS**” means CDS Clearing and Depositary Services Inc. and its successors.

“**CDS Participant**” means a registered securities dealer which maintains a book record of Class C Shares held by CDS on behalf of a Shareholder.

“**CRA**” means the Canada Revenue Agency.

“**Class A Shares**” means the Class A non-voting shares of the Corporation.

“**Class B Shares**” means the Class B shares of the Corporation.

“**Class C Shares**” means the Class C non-voting shares of the Corporation.

“**Deferred Plan**” means any one of or collectively an RRSP, RRIF, RESP and a TFSA.

“**General Partner**” means Permex Petroleum Operating Ltd., a corporation formed under the laws of the Province of British Columbia, and its successors as provided for in the Partnership Agreement.

“**GP Expense Amount**” means the amount, equal to 5% of the gross proceeds raised from the sale of Permex LP Units from time to time pursuant to the Permex LP Offering, paid to the General Partner under the Partnership Agreement to cover expenses (including legal, accounting and audit fees) incurred by the General Partner in organizing Permex LP and the Permex LP Offering and to satisfy ongoing general and administrative expenses.

“**IIROC**” means the Investment Industry Regulatory Organization of Canada.

“**Initial Closing**” means the initial closing of the sale of the Class C Shares offered hereby.

“**Kentucky LP**” means Kentucky Petroleum Limited Partnership, a limited partnership formed pursuant to the laws of the Province of British Columbia.

“**Kentucky LP Units**” means the limited partnership units offered by the Kentucky LP.

“**Management Agreement**” means the agreement dated September 25, 2013 entered into among the Manager, the General Partner and Permex LP in respect of the administration of Permex LP, as more particularly described in Item 2.7.3 herein.

“**Manager**” means N.A. Energy Resources Corp., a company incorporated under the laws of British Columbia, or its successor or assigns.

“**Maximum Offering**” means 20,000,000 Class C Shares (\$20,000,000).

“**NCI**” means the non-certificated inventory system of CDS.

**“NI 45-106”** means National Instrument 45-106 *Prospectus Exemptions*.

**“Offering”** means the offering of Class C Shares pursuant to this Offering Memorandum.

**“Offering Memorandum”** means this offering memorandum dated June 28, 2017, as amended or supplemented.

**“Oil and Gas Properties”** means any oil and gas lease or claim located in North America, including a Working Interest, a Mineral Interest, a Royalty Interest or an Overriding Royalty Interest (each as defined in the Permex LP Offering Memorandum attached as Schedule A hereto) in any such oil and gas lease or claim.

**“Partnership Agreement”** means the Amended and Restated Limited Partnership Agreement dated November 1, 2016.

**“Permex LP”** means Permex Petroleum Limited Partnership, a limited partnership formed pursuant to the laws of the Province of British Columbia.

**“Permex LP Units”** means the limited partnership units being offered by Permex LP pursuant to the Permex LP Offering Memorandum.

**“Permex LP Offering”** means the offering of Permex LP Units at a price of \$1,000 per Permex LP Unit being offered by Permex LP to subscribers pursuant to the Permex LP Offering Memorandum. **See Item 2.2 Our Business.**

**“Permex LP Offering Memorandum”** means the offering memorandum of Permex LP dated June 28, 2017, as amended or supplemented, which is attached hereto as Schedule A.

**“Principals”** means collectively the officers and directors of the Corporation as identified in Item 3.1 herein.

**“Regulations”** means the *Income Tax Regulations*.

**“RESP”** means Registered Education Savings Plan as defined under the Tax Act.

**“RRIF”** means Registered Retirement Income Fund as defined under the Tax Act.

**“RRSP”** means Registered Retirement Savings Plan as defined under the Tax Act.

**“Shareholder”** means a holder of Class C Shares purchased by a Subscriber pursuant to this Offering Memorandum.

**“Shares”** means the Class A Shares, Class B Shares and the Class C Shares of the Corporation.

**“Subscribers”** means parties who subscribe for Class C Shares pursuant to this Offering.

**“Subscription Agreement”** means the Subscription Agreement substantially in the form attached to this Offering Memorandum as Schedule “B”, entered into between a Subscriber and the Corporation with respect to the purchase of Class C Shares by a Subscriber under this Offering.

**“Tax Act”** means the *Income Tax Act* (Canada).

**“TFSA”** means a Tax-Free Savings Account as defined under the Tax Act.

In this Offering Memorandum, references to “dollars” and \$ are to the currency of Canada, unless otherwise indicated.

## ITEM 1 - USE OF AVAILABLE FUNDS

### 1.1 Available Funds

The following table discloses the available funds of this Offering:

		Assuming Maximum Offering <sup>(1)</sup>
A	Amount to be raised by issuance of this Offering	\$20,000,000
B	Selling commissions and fees	Nil <sup>(2)</sup>
C	Offering costs	Nil <sup>(3)</sup>
D	Available Funds: $D = A - (B + C)$	\$20,000,000
E	Additional Sources of Funding Required	Nil <sup>(4)</sup>
F	Working Capital Deficiency	\$11,670 <sup>(5)</sup>
G	Total: $G = (D + E) - F$	\$19,999,865

(1) There is no minimum offering. The Corporation will issue Class C Shares on a continuous basis.

(2) The Corporation may engage an authorized selling agent(s) in any territory of Canada where a distribution of Class C Shares pursuant to this Offering Memorandum is authorized. All selling commissions and fees associated with this Offering will be paid on the Corporation's behalf by the General Partner. **See Item 7 "Compensation Paid to Sellers and Finders"**.

(3) Legal, consulting and accounting costs associated with this Offering have and will continue to be paid on the Corporation's behalf by Permex LP.

(4) The Corporation does not expect to require additional funds from other sources to advance its business objectives.

(5) The Corporation currently has a working capital deficiency of \$11,670.

### 1.2 Use of Available Funds

The following table provides a detailed breakdown of how the Corporation will use the available funds of this Offering:

Description Of Intended Use Of Available Funds Listed In Order Of Priority	Assuming Maximum Offering Amount
The available funds of this Offering shall be used to purchase Permex LP <sup>(1)</sup> Units. <b>See Item 2.2 Our Business.</b>	\$20,000,000 <sup>(2)</sup>
<b>TOTAL</b>	<b>\$20,000,000</b>

(1) Permex LP is a limited partnership formed pursuant to the laws of the Province of British Columbia. The General Partner of Permex LP is a wholly-owned subsidiary of the Initial Limited Partner/Manager of the Permex LP. Mehran Ehsan, a director and the President and Treasurer of the Corporation, is also a director and the Chief Executive Officer, President and Treasurer of the General Partner and is also a director, President and Chief Executive Officer of the Initial Limited Partner/Manager. In addition, Barry Whelan, a director and the Chief Operating Officer of the Corporation is a director and the Chief Operating Officer of both of the General Partner and the Initial Limited Partner/Manager and Wayne Needoba, a director of the Corporation, is also the managing director of the General Partner. The Manager/Initial Limited Partner, is wholly-owned by Mehran Ehsan.

(2) As at the date of this Offering Memorandum, the Corporation has raised \$5,109,800 through the sale of Class C Shares and has acquired 5,109.8 Permex LP Units.

### 1.3 Reallocation

The Corporation intends to use the available funds as stated. The Corporation will reallocate the proceeds only for sound business reasons.

### 1.4 Future Cash Calls

A Subscriber in these securities will not be required to make any additional funds available to the Corporation in addition to their subscription amount.

## ITEM 2 - BUSINESS OF THE CORPORATION

### 2.1 Structure

The Corporation is a corporation incorporated under the BCA pursuant to a Certificate of Incorporation dated August 2, 2011. The Corporation's head office is located at Suite 1290, 625 Howe Street, Vancouver, British Columbia V6C 2T6 and its registered office is located at 1600 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia V6C 3L2.

The Corporation changed its name from "Kentucky Petroleum Investment Corp." to "N.A. Energy Resources Investment Corporation" effective December 19, 2013.

### 2.2 Our Business

#### 2.2.1 Current Business of the Corporation

The primary business of the Corporation is to raise capital through the issuance of Class C Shares and to use such capital to purchase Permex LP Units. The Corporation also holds Kentucky LP Units on behalf of holders of Class A Shares.

**No Class A Shares are being offered for sale pursuant to the Offering. Investors in Class C Shares will have no interest in the assets of the Kentucky LP, which are reserved exclusively for the benefit of the holders of the Class A Shares.**

The Corporation is raising funds pursuant to this Offering for the purpose of purchasing Permex LP Units in Permex LP pursuant to the Permex LP Offering. As at the date of this Offering Memorandum, the Corporation raised \$5,109,800 through the sale of Class C Shares and has acquired 5,109.8 Permex LP Units.

Permex LP was formed in British Columbia on September 17, 2013 pursuant to a Certificate of Limited Partnership. A maximum of 20,000 Permex LP Units at a price of \$1,000 per Permex LP Unit are being offered under the Permex LP Offering Memorandum. As at the date of this Offering Memorandum, Permex LP has issued an aggregate of 6,520 Permex LP Units for gross proceeds of \$6,520,000.

Permex LP intends to use the available funds raised pursuant to the Permex LP Offering to acquire and develop Oil and Gas Properties as described in the Permex LP Offering Memorandum. **See Item 2.2 of the Permex LP Offering Memorandum attached hereto as Schedule A.**

#### 2.2.2 Offering Structure

The purpose of this Offering is to allow Subscribers to participate in an investment in the Permex LP Units, indirectly through acquiring Class C Shares in the Corporation. **See Item 5.1 Terms of Securities.**

Funds from Deferred Plans may be used to purchase Class C Shares pursuant to this Offering. **See Item 6 Income Tax Consequences and Deferred Plan Eligibility.**

No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this Offering Memorandum. **See Item 8 Risk Factors.**

No assurance can be given that changes in the Tax Act or future court decisions or the implementation of new taxes will not adversely affect the Corporation or fundamentally alter the income tax consequences to holders of the Class C Shares with respect to acquiring, holding or disposing of the Class C Shares of the Corporation.

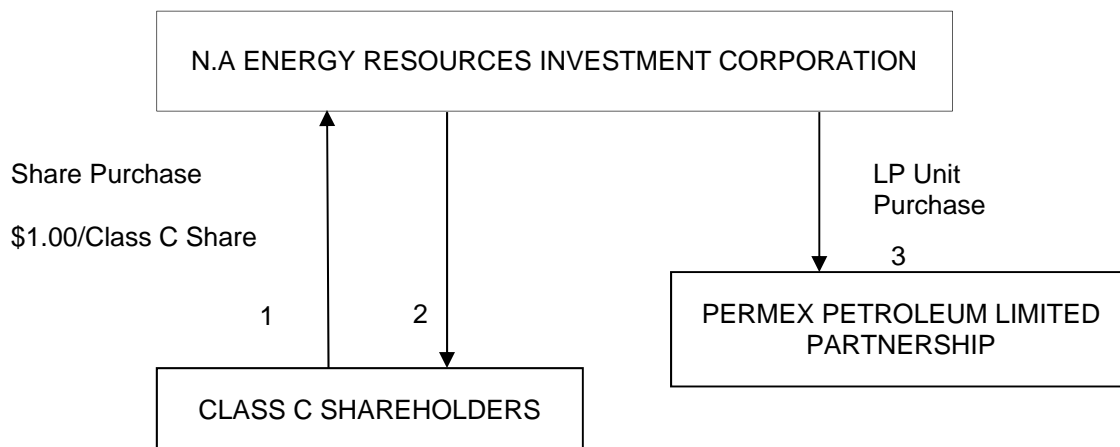
**Subscribers are strongly encouraged to consult their tax advisors as to the tax consequences of acquiring, holding and disposing of the Class C Shares purchased pursuant to this Offering.**

#### 2.2.3 Auditors; Registrar and Transfer Agent

The auditors of the Corporation are Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia. The transfer agent and registrar for the Class C Shares is TMX Equity Transfer Services at its office in Vancouver, British Columbia.

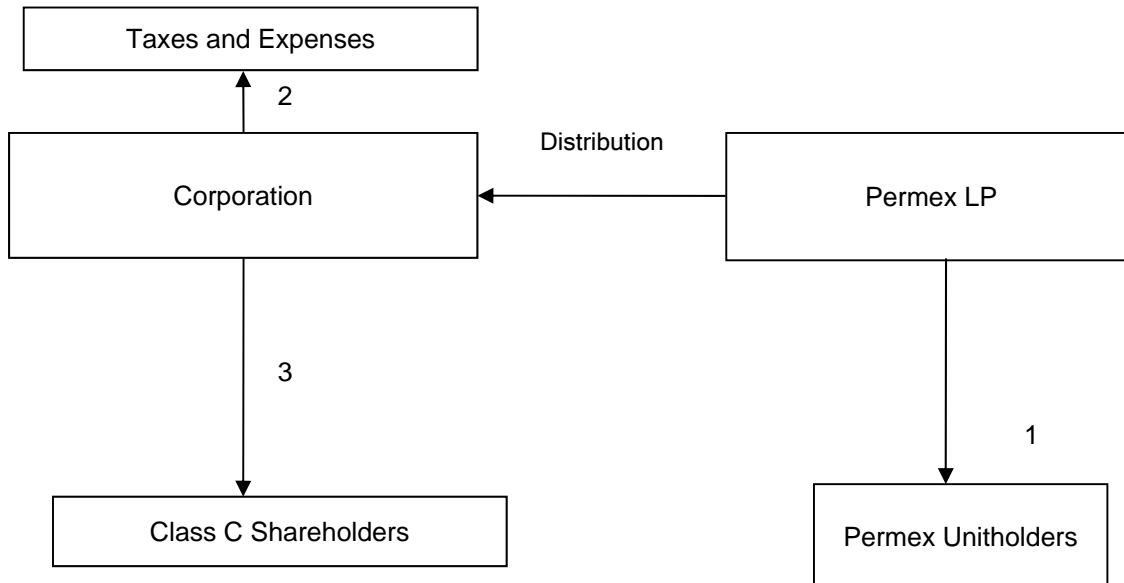
## 2.2.4 Investment Charts

The following represents the distribution of funds from a Subscriber pursuant to this Offering resulting in the acquisition of Permex LP Units by the Corporation:



1. Subscribers advance subscription proceeds to the Corporation pursuant to this Offering using funds from Deferred Plans or cash.
2. The Corporation issues Class C Shares to Subscribers.
3. The Corporation acquires LP Units in Permex LP with the available funds of this Offering.

The following represents the proposed distribution of funds by Permex LP in the event of a cash distribution to holders of Permex LP Units by Permex LP:



1. Permex LP makes a distribution of proceeds to its unitholders (including the Corporation).
2. The Corporation pays its applicable taxes and expenses.
3. Profits are distributed to holder of Class C Shares if and when a dividend is declared by the Board of Directors of the Corporation. The holders of Class C Shares may be paid dividends solely out of all profits or surpluses related to the Corporation's holdings of Partnership Units available for distribution.



## 2.3 Development of Business

The Corporation was incorporated on August 2, 2011 pursuant to the BCA. Since formation, the business of the Corporation has been to raise capital through the issuance of Class A Shares and Class C Shares and to use such capital to purchase Kentucky LP Units and Permex LP Units, respectively.

As of the date of this Offering Memorandum, the Corporation has raised \$6,425,000 through the sale of an aggregate of 6,425,000 Class A Shares, of which it has invested \$6,425,000 into Kentucky LP Units. The Kentucky LP held its final closing in respect of its offering of Kentucky LP Units in December 2013. Accordingly, the Corporation does not anticipate issuing any further Class A Shares or acquiring any additional Kentucky LP Units.

As of the date of this Offering Memorandum, the Corporation has raised \$5,109,800 through the sale of an aggregate of 5,109,800 Class C shares. The primary business of the Corporation is to raise capital through the issuance of Class C Shares and to use such capital to purchase Permex LP Units. In addition, the Corporation will continue to hold Kentucky LP Units on behalf of holders of Class A Shares.

At December 31, 2016, the Company had a working capital deficiency of \$11,652 (2015 - \$40 working capital) and an accumulated deficit of \$7,237,133 (2015 - \$6,823,865), and incurred a loss for the year ended December 31, 2016 of \$413,268 (2015 - \$2,940,039). The Company's ability to continue as a going concern is dependent upon its ability to obtain and maintain an appropriate level of financing on a timely basis, and to achieve sufficient cash flows from its investments to cover obligations and expenses.

At March 31, 2017, the Corporation had a working capital deficiency of \$11,670 and an accumulated deficit of \$7,350,569. The Corporation realized a total comprehensive loss of \$113,436 as at March 31, 2017 (March 31, 2016 - \$65,314).

**No Class A Shares are being offered for sale pursuant to the Offering. Investors in Class C Shares will have no interest in the assets of the Kentucky LP, which are reserved exclusively to the benefit of the holders of the Class A Shares.**

The Class C Shares are qualified investments for Deferred Plans. **See Item 6 Income Tax Consequences and Deferred Plan Eligibility.**

## 2.4 Long-Term Objectives

The Corporation's long-term goals are:

1. To complete the maximum Offering; and
2. To earn income from distributions to holders of Kentucky LP Units and Permex LP Units acquired by the Corporation with the proceeds from the issuance of the Class A Shares and the Class C Shares, respectively, and to distribute such income to investors by way of dividends on the Class A Shares and Class C Shares, respectively.

To date, the Corporation has distributed dividends in the aggregate amount of \$812,872.50 to holders of Class A Shares, less withholding tax of \$76,793.00, for a net distribution to holders of Class A shares of \$736,079.50. The Corporation has distributed dividends in aggregate amount of \$190,419.29 to holders for Class C Shares. The Partnerships has paid distributions to the Corporation in excess of its Available Net Cash Flow.

## 2.5 Short-Term Objectives and How the Corporation Intends to Achieve Them

The Corporation's goal for the next 12 months is to raise up to \$8,000,000 through the issuance of Class C Shares and invest the proceeds thereof in Permex LP Units pursuant to the Permex LP Offering.

The following outlines the Corporation's short-term objectives and the methods and costs associated with the achievement of these objectives:

What we must do and how we will do it	Target number of months to complete	Our cost to complete
Raise up to \$8,000,000 and use the available funds of this Offering to purchase Permex LP Units.	12 months	Nil*

\* The General Partner will pay all costs and fees incurred by the Corporation with respect to this Offering. **See Item 1.1 Available Funds.**

## **2.6 Insufficient Funds and Cash Reserves**

All monies raised pursuant to this Offering will be used to acquire Permex LP Units pursuant to the Permex LP Offering. The Corporation does not intend to hold any significant cash reserves. The proceeds of this Offering may not be sufficient to accomplish all of the Corporation's proposed objectives and there is no assurance that alternative financing will be available.

## **2.7 Material Agreements**

The following are the key terms of all material agreements which the Corporation has or expects to enter into and which can reasonably be regarded as presently being material to the Corporation or a prospective purchaser of the securities being offered pursuant to this Offering.

### **2.7.1 The Permex LP Offering Memorandum**

The Permex LP Offering Memorandum is attached hereto as Schedule A. The Corporation was formed solely for the purpose of acquiring Permex LP Units pursuant to the Permex LP Offering Memorandum. The Permex LP Offering Memorandum summarizes the terms of the Permex LP Offering, the proposed business of Permex LP and some of the terms of the Partnership Agreement.

Subscribers under this Offering should review the Permex LP Offering Memorandum with their legal and tax advisors. **Subscribers under this Offering will not have any rights under the Permex LP Offering Memorandum.**

### **2.7.2 The Partnership Agreement**

The Partnership Agreement is attached as Schedule "A" to the Permex LP Offering Memorandum. The Corporation is a party to the Partnership Agreement as a limited partner pursuant to its acquisition of Permex LP Units. As a result, the Partnership Agreement is a material agreement to the Corporation. The General Partner of Permex LP is a wholly-owned subsidiary of the Initial Limited Partner/Manager of the Permex LP. Mehran Ehsan, a director and the President and Treasurer of the Corporation is also a director and the Chief Executive Officer, President and Treasurer of the General Partner and is also a director, President and Chief Executive Officer of the Initial Limited Partner/Manager. In addition, Barry Whelan, a director and the Chief Operating Officer of the Corporation is a director and the Chief Operating Officer of both of the General Partner and the Initial Limited Partner/Manager and Wayne Needoba, a director of the Corporation, is also the managing director of the General Partner. The Manager/Initial Limited Partner is wholly-owned by Mehran Ehsan.

**Subscribers to this Offering will not be parties to the Partnership Agreement and will not have any rights thereunder.**

The material terms of the Partnership Agreement are summarized in Item 5.1 of the Permex Limited Partnership Offering Memorandum and the Partnership Agreement is attached as Schedule "A" to the Permex LP Offering Memorandum. Subscribers should review the Partnership Agreement with their legal and accounting advisors.

### **2.7.3 The Management Agreement**

Under the terms of the Management Agreement, the Manager is to provide administrative services to the Permex LP, including without limitation the preparation of financial statements and tax returns and provision of office space and equipment, and for those services is paid a fee by the General Partner. The Administration Fee will be payable by the General Partner out of the GP Expense Amount, after deduction by the General Partner of all Fund Expenses. Accordingly, the amount of the Administration Fee actually paid to the Manager under the Management Agreement will depend on the Fund Expenses from time to time. In addition, pursuant to the terms of the Management Agreement, once the Permex LP is in positive cash-flow, the Manager will be paid the Asset Management Fee directly by the Permex LP. The Management Agreement does not have a fixed termination date and expires upon termination of the Permex LP, unless the Manager resigns or is earlier removed for cause. The General Partner of the Permex LP is a wholly-owned subsidiary of the Initial Limited Partner and Manager of the Permex LP. Mehran Ehsan, a director and the President and Treasurer of the Corporation is also a director and the Chief Executive Officer and President of the General Partner and the Initial Limited Partner. In addition, Barry Whelan, a director and the Chief Operating Officer of the Corporation is a director and the Chief Operating Officer of both of the General Partner and the Initial Limited Partner and Wayne Needoba, a director of the Corporation, is also the managing director of the General Partner. The Manager, which is also the Initial Limited Partner, is wholly-owned by Mehran Ehsan. For details, see Item 3.5 under the heading "Potential Conflicts of Interest".

## 2.8 Proposed Reorganization of the Assets of Permex LP

During Q3 2017,, Permex LP proposes to complete a reorganization of its assets to assist with its application to list on the Canadian Securities Exchange (the "**Reorganization**"). The steps of the Reorganization as well as their primary consequences are described below. A post-Reorganization structure chart follows the description of the various components of the Reorganization.

### *Step 1: Transfer of Assets of Permex LP to Permex Petroleum Corporation ("**Newco**")*

The first step in the Reorganization is the transfer of all of the assets and liabilities of Permex LP to Newco. In consideration for all of the assets of Permex LP, Newco will agree to assume all of the liabilities of Permex LP and to issue Common shares in its authorized share structure to Permex LP. The exact number of common shares and price per share to be issued will be determined by management, having regard to the value of the assets.

Prior to the Reorganization, Newco's sole outstanding share is held by the General Partner and does not hold any material assets or liabilities. Mehran Ehsan and Barry Whelan are the directors and officers of Newco.

After Step 1 of the Reorganization, Permex LP will hold all but one Common share of Newco, and as such, will be entitled to substantially all of the economic entitlement in respect of the assets of Permex LP now held by Newco. Each of Newco and Permex LP shall agree to execute and file an election in respect of subsection 85(2) of the Income Tax Act (Canada) such that the transaction contemplated in Step 1 should not incur any taxable gains or income in respect of either Newco and the Limited Partnership.

### *Step 2: Amendment of Partnership Agreement*

After Step 1 is complete (as described above), the dissolution and windup provisions of the Partnership Agreement would be amended. The substantive effect of this amendment would be that Permex LP would now be able to distribute the Common shares and any residual cash (if applicable) of Newco to the Limited Partners pro-rata on winding up based on their Proportionate Shares (as defined in the Partnership Agreement). The Partnership Agreement would grant each limited partner an undivided interest in every Common share of Newco held by Permex LP based on their Proportionate Share.

This step is a preparatory step to Step 3 (described below) and is not anticipated to produce any taxable income or gains in Permex LP.

### *Step 3: Windup and Dissolution of the Limited Partnership*

After Step 2, the Limited Partnership is planned to be wound up and dissolved on a tax deferred basis in accordance with subsection 85(3) of the Income Tax Act (Canada). As a result of this procedure, all of the former limited partners of the Limited Partnership will hold a number of Common shares in Newco such that their proportionate interests in the underlying assets of Permex LP prior to the Reorganization shall remain the same.

As a result of Step 3, all previous limited partners of the Limited Partnership will be Common shareholders of Newco.

### *Step 4: Exchange of Class C shares of N.A. Energy Resources Corp. for Common shares of Newco*

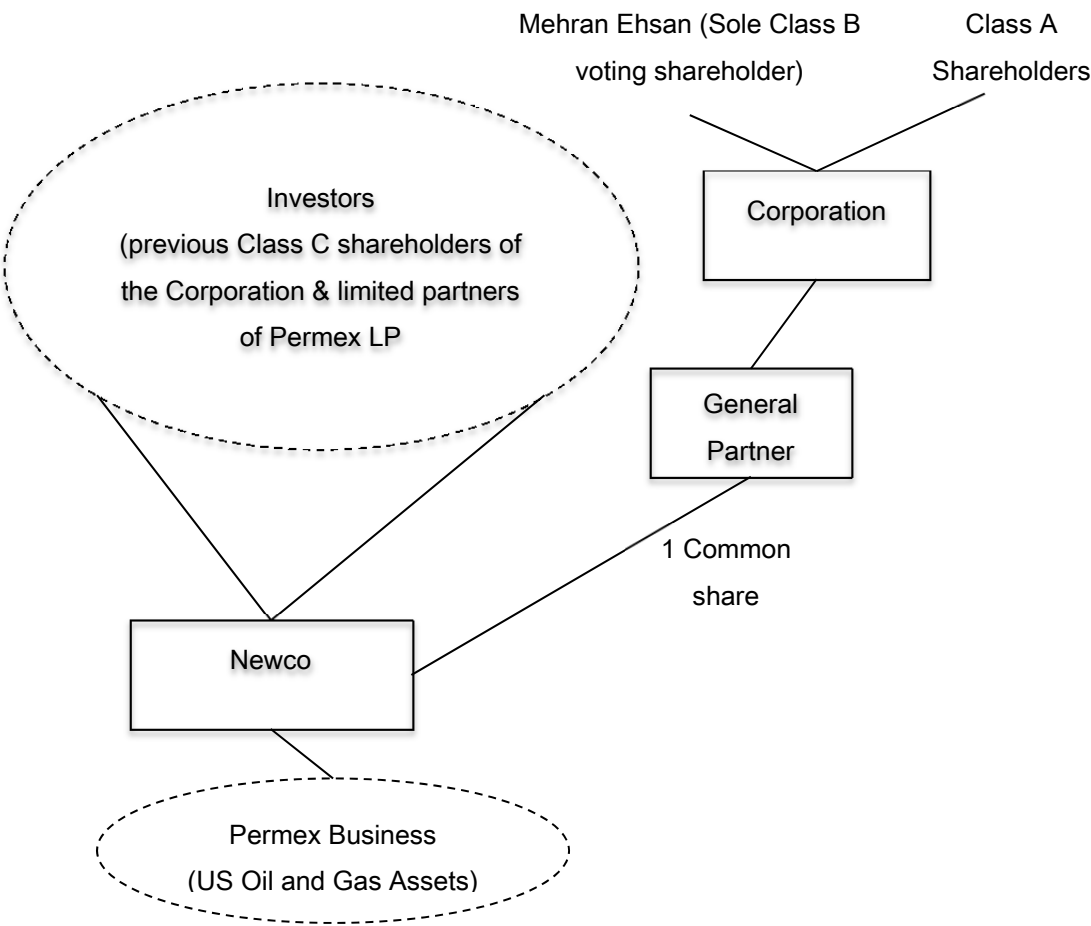
In the final step of the Reorganization, all of the Class C Shares of the Corporation will be exchanged for the Common shares of Newco held by the Corporation after the completion of Step 3. As a result of this process, the underlying economic interest in the net assets of Permex LP (now held by Newco) that would otherwise be held by the Class C Shareholders after the completion of Step 2, would represent the same underlying interest, except such interest would be held via Common shares in Newco.

Step 4 is contemplated to be completed by way of plan of arrangement in accordance with the provisions of the *Business Corporations Act* (British Columbia). The interim order from the Supreme Court of British Columbia allowing for a special meeting of the Class C Shareholders was approved on June 15, 2017. The plan of arrangement was approved by Class C Shareholders on June 27, 2017.

Completion of the transactions contemplated in the plan of arrangement (i.e., Step 4) will only be contemplated if and when Steps 1 through 3 have been completed and when a final order by the Supreme Court of British Columbia is issued allowing for such plan of arrangement.

The exchange of the Class C Shares for the Common shares of Newco held by the Corporation is not expected to result in any tax consequences to the Corporation or Newco.

Post-Reorganization Structure Chart:



**ITEM 3 – INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS**

**3.1 Compensation and Securities Held**

The following table provides the specified information about each officer, director and promoter of the Corporation and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Corporation (a “Principal Holder”). Where the Principal Holder is not an individual, the following table provides the name of any person that directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the principal holder.

Name and municipality of principal residence	Position held and the date of obtaining position	Compensation paid in most recent Fiscal Year and compensation anticipated to be paid in current financial year 2016 and 2017	Number, type and percentage of securities of the Corporation held after the completion of the Minimum Offering	Number, type and percentage of securities of the Corporation held after the completion of the Maximum Offering
Mehran Ehsan <sup>(1)</sup> Vancouver, British Columbia	President, Chief Executive Officer, Treasurer, Director and Shareholder <b>August 2, 2011</b>	Nil in 2016 \$25,000 anticipated in 2017	Nil Class A Shares  1 Class B Share (100%)  Nil Class C Shares	Nil Class A Shares  1 Class B Share (100%)  Nil Class C Shares
Barry Whelan <sup>(2)</sup> Vancouver, British Columbia	Chief Operating Officer and Director <b>August 2, 2011</b>	Nil in 2016 \$5,000 anticipated in 2017	Nil	Nil
Wayne Needoba <sup>(3)</sup> Vancouver, British Columbia	Managing Director <b>August 2, 2012</b>	Nil in 2016 \$5,000 anticipated in 2017	Nil	Nil

(1) Mehran Ehsan, a director and the President and Treasurer of the Corporation is also a director and the Chief Executive Officer, President and Treasurer of the General Partner and is a director, Chief Executive Officer and the President of the Initial Limited Partner/Manager. The Manager, which is also the Initial Limited Partner, is wholly-owned by Mehran Ehsan.

(2) Barry Whelan, a director and the Chief Operating Officer of the Corporation is a director and the Chief Operating Officer of both of the General Partner and the Initial Limited Partner/Manager.

(3) Wayne Needoba, a director of the Corporation, is also the managing director of the General Partner

### 3.2 Management Experience

The principal occupations of the executive officers and directors of the Corporation over the past five years are as follows:

Name	Principal occupation and related experience
<b>Mehran Ehsan</b> President, Chief Executive Officer, Treasurer and Director	Mr. Ehsan has over 10 years of experience in the oil and gas and private equity sectors. He has led teams in the creation of many upstream oil and gas companies with a focus on acquisitions and divestitures. Over the last 10 years Mr. Ehsan has been involved as a manager in mergers, acquisitions & divestitures, financing arrangements and investment with a specialty in oil and gas opportunities. He has been directly involved and facilitated syndication of over \$82 million in capital syndication and injection within various investment markets. He is the President and Chief Executive Officer of Kentucky Petroleum Operating Ltd. and Permex Petroleum Operating Ltd. He is also the President and Chief Executive Officer of N.A Energy Resources Corp., the Manager of Permex LP, an oil and gas investment company focused on the recovery of hydrocarbon reserves through acquisitions and project development, with a major emphasis on mature and marginal field enhancement, developmental exploitation drilling. Mr. Ehsan's experience ranges from private to public & government based oil and gas deals; he has worked with oil and gas companies such as Marun Oil & Gas Production, West Texas Investment Corp. and Renewable Energy Companies such as Excelsior Operating Ltd. Other corporate involvements of Mr. Ehsan range from Corporate Finance at Triledor Entertainment, a motion picture production and financing firm to Darmar Industries a land based aqua culture product which Mr. Ehsan sits on an advisory basis. Mr. Ehsan comes from a background of corporate finance and business management. His academic background ranges from a spectrum of

Name	Principal occupation and related experience
	marketing management, business management, wealth management and Petroleum based curriculums and programs. Mr. Ehsan is an MBA candidate with a specialty in Finance and has authored various articles in the oil and gas industry, with presence as a guest speaker and judge in both this industry and academia related events.
<b>Barry Whelan</b> Chief Operating Officer and Director	<p>Barry Whelan is the Chief Operating Officer and a director of the General Partner. Mr. Whelan has over 40 years' experience as a geologist, he has worked with such companies as Gulf Oil on its international operations, KOS Energy Ltd., Next Millennium Commercial Corp., Opal Energy Ltd., Copper Creek Ventures Ltd., Avro Energy, Polar Resources Ltd., ProAm Exploration Corporation, Voyageur Oil and Gas Corp. and Bighorn Petroleum to name a few. Mr. Whelan has represented a diverse array of energy market participants including oil, gas and other resources based companies with clients ranging from global energy concerns to start-up companies.</p> <p>As a Geological Consultant, Mr. Whelan has been active in natural resource and industrial development companies with natural resource holdings in oil, gas and minerals, worldwide. Responsibilities include: economic evaluations of properties; research and development of projects which have economic potential; evaluation of projects and their requirements for capital; presentations to management, financial institutions, and shareholders; economic analysis of resource properties and coordination of acquisition, development and production for resource properties; filing of V.S.E. reports, assessment reports and property evaluations for petroleum and mining companies on resource properties. The geographical areas of operations and research include North America, Brazil, Argentina, Chile, Ecuador, Venezuela, Colombia, Ghana, Kazakhstan, Tunisia, Indonesia, Kenya, Israel, Papua New Guinea and China.</p> <p>Mr. Whelan received his Bachelor of Arts, Geology, from University of Western Ontario in 1961 and his Bachelors of Science, Honours Geology, from McMaster University, 1965. He is or has been a member of the Geological Association of Canada, Association of Professional Engineers and Geoscientists of the Province of British Columbia, Association of Professional Engineers, Geologists and Geophysicists of Alberta, Canadian Society of Petroleum Geologists, Institute of Petroleum, London.</p>
<b>Wayne Needoba</b> Managing Director	<p>Mr. Needoba has over 40 years of international petroleum industry planning, engineering and team leader experience in all aspects of oil and gas exploration and development, evaluation, completion and well intervention operations, onshore and offshore, environments. Mr. Needoba joined Esso Ex (now Exxon Mobil) and worked internationally from 1974 to 1986 as a drilling and completions / well testing engineer, operations supervisor. Voluntarily separated in 1986 and founded a drilling and completions project management business in Perth, Western Australia. In 1992 he separated from the company and relocated to Bangkok Thailand, and has been a consultant on a range of oil and gas projects to present time. Mr. Needoba graduated with a diploma in Petroleum Technology from SAIT, Calgary Alberta in 1964 and worked with oil and gas production in Alberta until the end of 1965. He also worked in Australia with oil and gas operations from 1966 to 1969 and in the Middle East as an oil well cementing and stimulation supervisor. He attended the University of Tulsa 1971 to 1973 and graduated with a BSc in Petroleum Technology at the end of 1973.</p>

### 3.3 Penalties, Sanctions and Bankruptcy

Except as set forth below, no penalties or sanctions have been in effect during the last ten (10) years nor has there been any cease trade order issued that was in effect for more than thirty (30) consecutive days during the past ten (10) years against:

- (a) any of the directors, executive officers or control persons of the Corporation; or

- (b) a company of which any of the directors, executive officers or control persons of the Corporation was a director, executive officer or control person at the time.

In January, 2016, staff at the Alberta Securities Commission (the “**ASC**”) identified disclosure deficiencies in the Corporation’s offering memorandum dated May 10, 2015, which deficiencies it considered to be material. At the time of the review Mehran Ehsan, Barry Whelan and Wayne Needoba were directors of the Corporation and Mehran Ehsan and Barry Whelan were senior officers of the Corporation. Following the review, the Corporation and its directors and senior officers were required to provide an undertaking (the “**Undertaking**”) to the Executive Director to discontinue distributions under the Corporation’s offering memorandum until such time as those disclosure deficiencies were rectified. Through the course of this same review, the ASC further determined that the Corporation’s marketing materials were not prepared in accordance with Alberta securities laws.

The Limited Partnership rectified the disclosure and on June 21, 2016, was released from the Undertaking.

### **3.4 Indebtedness**

As of the date of this Offering Memorandum, the Corporation does not have any debentures or loans due to or from the directors, management, promoters and principal holders of the Corporation.

### **3.5 Potential Conflicts of Interest**

Certain of the directors and officers of the Corporation are also the directors, officers and shareholders of the General Partner and N.A. Energy Resources Corporation (the “**Manager**”), which is the manager of Permex LP. The Manager is wholly-owned by Mehran Ehsan, who is also the President, Chief Executive Officer, Treasurer, director, and a shareholder of the Corporation and President, Chief Executive Officer, Treasurer, director and a shareholder of the General Partner.

The General Partner will receive certain fees for organizing Permex LP and will participate in the profits and losses of Permex LP. All such fees, profits and losses will be paid and or allocated to the General Partner for its own account and the General Partner will not have any obligation to account to Permex LP or any limited partner for any such amounts.

Under the Management Agreement, the Manager is to provide administrative services to Permex LP, including without limitation the preparation of financial statements and tax returns and provision of office space and equipment, and for those services is paid the Administration Fee by the General Partner. The Administration Fee will be payable by the General Partner out of the GP Expense Amount, after deduction by the General Partner of organizational and operation expenses of the Limited Partnership. Accordingly, the amount actually paid to the Manager under the Management Agreement will depend on the expenses of Permex LP from time to time.

In addition, pursuant to the terms of the Management Agreement, the Limited Partnership will pay to the Manager the Asset Management Fee equal to 0.5% of the fair market value of the net assets of the Limited Partnership, paid monthly, in arrears. The General Partner shall determine the fair market value of the assets of the Limited Partnership on the last day of each fiscal year during the term of the Limited Partnership in its discretion having regard to reasonable commercial principles applicable at the time and in the circumstance of such value being determined. The Asset Management Fee will only be paid once the Permex LP is in positive cash-flow.

The Management Agreement does not have a fixed termination date and expires upon termination of Permex LP, unless the Manager resigns or is earlier removed for cause. The Manager is wholly-owned by Mehran Ehsan, a director and the President and Chief Executive Officer of the General Partner, who is also a director and the President and Chief Executive Officer of the Manager.

**Please see Item 8 - “Risk Factors” – “Conflicts of Interest” for discussion regarding potential conflicts of interest.**

## ITEM 4 - CAPITAL STRUCTURE

### 4.1 Share Capital

Description of security	Number authorized to be issued	Price per security	Number outstanding as at June 28, 2017	Number outstanding assuming completion of Maximum Offering
Class A Shares	Unlimited	\$1.00	6,425,000	6,425,000 <sup>(1)</sup>
Class B Shares	Unlimited	\$10.00	1	1 <sup>(1)</sup>
Class C Shares	Unlimited	\$1.00	5,109,800	20,000,000

(1) No Class A Shares or Class B Shares are being offered pursuant to the Offering.

The authorized share structure of the Corporation is as follows:

- (a) an unlimited number of Class A Shares without par value;
- (b) an unlimited number of Class B Shares with a par value of \$10.00 each; and
- (c) an unlimited number of Class C Shares without par value.

#### **Special Rights and Restrictions**

The rights and restrictions attached to the shares of the Corporation may be summarized as follows:

	Par Value	Dividend Entitlement	Voting Rights	Priority on Liquidation	Retractable
Class A	No	Yes, in relation solely to holdings of Kentucky LP Units.	No	1st with respect to amounts related to holdings of Kentucky LP Units.	Yes
Class B	\$10.00	No	Yes	1st with respect to any amounts not related to the holders of either Kentucky LP Units or Permex LP Units.	No
Class C	No	Yes, in relation solely to holdings of Permex LP Units.	No	1st with respect to amounts related to holdings of Permex LP Units.	Yes

The foregoing is a summary only and in the event of any inconsistency between the foregoing summary and the following text, the text will supersede the summary.

#### **Dividends**

Subject to the special rights and restrictions to any class or series of shares of the Corporation, the shares of the Corporation have the following special rights and restrictions with respect to receipt of dividends:

- (1) The holders of Class A Shares may be paid dividends solely out of all profits or surpluses related to the Corporation's holdings of Kentucky LP Units available for distribution;
- (2) The holders of Class B Shares are not entitled to dividends; and



- (3) The holders of Class C Shares may be paid dividends solely out of all profits or surpluses related to the Corporation's holdings of Permex LP Units available for distribution.

Except as otherwise specifically provided for in the Articles of the Corporation, dividends may be paid on any one class of shares to the exclusion of any other class or series of shares entitled to dividends.

### **Voting Rights**

Subject to the special rights and restrictions to any class or series of shares of the Corporation, the shares of the Corporation have the following special rights and restrictions with respect to voting:

- (1) The holders of shares that are designated in the Table above under 'Special Rights and Restrictions' as voting are entitled to one vote for each share held at all meetings of shareholders;
- (2) The holders of shares that are designated in the Table above under 'Special Rights and Restrictions' as non-voting are not entitled to vote at any meeting of the shareholders of the Corporation and they are not entitled to receive notice of or attend any meetings of the shareholders of the Corporation.

### **Priority on Liquidation**

Subject to the special rights and restrictions to any class or series of shares of the Corporation, in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or upon distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, or upon a reduction or return of its capital (except by way of the redemption of shares), the holders of the issued shares of the Corporation shall be entitled to receive amounts in the following order of priority:

- (1) The holders of Class A Shares shall have priority with respect to all amounts related to the Corporation's holdings of Kentucky LP Units;
- (2) The holders of Class C Shares shall have priority with respect to all amounts related to the Corporation's holdings of Permex LP Units; and
- (3) The holders of Class B Shares shall be entitled to any further distribution of the property or assets of the Corporation.

### **Retraction**

Subject to the special rights and restrictions to any class or series of shares of the Corporation, the shares of the Corporation have the following special rights and restrictions with respect to retraction:

- (1) Shares that are designated in the Table above under 'Special Rights and Restrictions' as not retractable are not retractable by their holders. However, subject to the provisions of the BCA, the Corporation may purchase those shares under the terms of any agreement between the Corporation and the applicable shareholder.
- (2) Shares that are designated in the Table above under 'Special Rights and Restrictions' as retractable (the "**Retractable Shares**") are retractable at the option of the holders thereof.
- (3) Subject to the provisions of the BCA, the Corporation will, upon receiving notice as provided for herein (a "**Retraction Notice**") from a shareholder holding Retractable Shares and, subject to paragraph (8) below, upon receiving share certificates duly endorsed for transfer in respect of the appropriate number of shares, redeem the number and class of Retractable Shares registered in the name of such shareholder as specified in the Retraction Notice by paying to such shareholder for each Retractable Shares to be redeemed the redemption amount thereof and no more, provided however that not less than 21 days' notice in writing of such redemption must be given to the Corporation by the shareholder seeking to have Retractable Shares redeemed, such notice to be delivered by mailing to the registered office of the Corporation a notice specifying the number and class of Retractable Shares to be redeemed, unless the Corporation waives any notice required to be given under this paragraph which waiver, whether given before or after the redemption, shall cure any default in giving such notice.
- (4) Despite anything in the Articles of the Corporation to the contrary, any redemption of shares by the Corporation upon receipt of a Retraction Notice from any shareholder holding Retractable Shares need not be made on a *pro rata* basis among every shareholder who holds shares of the class to be redeemed.

- (5) Subject to paragraph (8) below, if only a part of the shares of any class of Retractable Shares represented by any certificate are to be redeemed under a Retraction Notice then a new certificate representing the shares which are not to be redeemed shall be issued at the expense of the Corporation.
- (6) No shares of any particular class may be redeemed under a Retraction Notice if to do so would reduce the value of the net assets of the Corporation to less than the aggregate of the redemption amount of all issued shares of all other classes which have rights on liquidation in priority to the rights of the class of the shares to be redeemed (as that priority is set out in the section 'Priority on Liquidation' above).
- (7) Despite any other provision in the Articles of the Corporation, if the total amount to be paid by the Corporation in any fiscal year to satisfy the Retraction Rights attached to Retraction Shares for which it has received a Retraction Notice prior thereto and in the same fiscal year exceeds \$50,000 at the beginning of the fiscal year (the "**Annual Limit**"), then Retractable Shares will be redeemed for cash up to the Annual Limit on a first come, first served basis, and the obligation to redeem for cash in excess of the Annual Limit for a current month shall accrue and continue until all Retractable Shares for which a Retraction Notice has been received by the Corporation have been redeemed for cash.
- (8) Class C Shares held in CDS are represented in "book-entry" form and must be surrendered for retraction through a CDS Participant. All rights of beneficial Shareholders who hold Class C Shares in CDS must be exercised through, and all payments or other property to which such Shareholders are entitled will be made or delivered by CDS or the CDS Participant through which the Shareholders holds such Class C Shares.

## 4.2 Long-Term Debt

The Corporation has no outstanding long-term debt.

## 4.3 Prior Sales

As of the date of this Offering Memorandum, there are an aggregate of 6,425,000 Class A Shares issued and outstanding, 1 Class B Share issued and outstanding, and 4,464,300 Class C Shares issued and outstanding. The following table provides particulars of the prior sales of the Class C Shares within the last 12 months:

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
July 25, 2016	Class C Shares	20,000	\$1.00	\$20,000.00
August 2, 2016	Class C Shares	10,000	\$1.00	\$10,000.00
August 30, 2016	Class C Shares	37,000	\$1.00	\$37,000.00
November 8, 2016	Class C Shares	25,000	\$1.00	\$25,000.00
December 8, 2016	Class C Shares	42,900	\$1.00	42,900.00
December 21, 2016	Class C Shares	70,000	\$1.00	70,000.00
December 28, 2016	Class C Shares	10,000	\$1.00	10,000.00
January 9, 2017	Class C Shares	55,000	\$1.00	55,000.00
January 24, 2017	Class C Shares	83,000	\$1.00	83,000.00
February 9, 2017	Class C Shares	50,000	\$1.00	50,000.00
February 16, 2017	Class C Shares	10,000	\$1.00	10,000.00
March 6, 2017	Class C Shares	60,600	\$1.00	60,600.00
April 10, 2017	Class C Shares	219,800	\$1.00	219,800.00
May 25, 2017	Class C Shares	352,000	\$1.00	352,000.00
May 25, 2017	Class C Shares	70,000	\$1.00	70,000.00
May 31, 2017	Class C Shares	194,000	\$1.00	194,000.00
June 19, 2017	Class C Shares	645,500	\$1.00	645,500.00

## ITEM 5- SECURITIES OFFERED

### 5.1 Terms of Securities

The securities being offered pursuant to this Offering are Class C Shares. The price of each Class C Share is \$1.00. The minimum number of Class C Shares that may be purchased by a Subscriber is ten thousand (10,000) Class C Shares for a minimum investment of \$10,000. Please see **Item 4 Capital Structure** above, for the material terms of the Class C Shares.

### 5.2 Subscription Procedure

#### (a) Subscription Documents

Subscribers wishing to subscribe for Class C Shares will be required to enter into a Subscription Agreement in substantially the form attached hereto as Schedule "B" with the Corporation which will contain, among other things, representations, warranties and covenants by the Subscriber that it is duly authorized to purchase the Class C Shares, that it is purchasing the Class C Shares as principal and for investment and not with a view to resale and as to its corporate or other status to purchase the Class C Shares and that the Corporation is relying on an exemption from the requirements to provide the Subscriber with a prospectus and, as a consequence of acquiring the securities pursuant to this exemption, certain protections, rights and remedies provided by applicable securities laws will not be available to the Subscriber.

In order to subscribe for Class C Shares, a subscriber must complete, execute and deliver the following documentation to the Corporation at Suite 1290, 625 Howe Street, Vancouver, British Columbia V6C 2T6:

1. one (1) signed and completed copy of the Subscription Agreement (including all schedules attached thereto in accordance with the instructions contained in the Subscription Agreement);
2. a certified cheque or bank draft in an amount equal to the Aggregate Subscription Amount (as set forth in the Subscription Agreement), payable to "N.A. Energy Resources Investment Corporation";

Subject to applicable securities laws and the Subscriber's two-day cancellation right, a subscription for Class C Shares, evidenced by a duly completed Subscription Agreement delivered to the Corporation shall be irrevocable by the Subscriber. **See Item 11 Purchasers' Rights.**

Subscriptions for Class C Shares will be received, subject to rejection and allotment, in whole or in part, and subject to the right of the Corporation to close the subscription books at any time, without notice. If a subscription for Class C Shares is not accepted, all subscription proceeds will be promptly returned to the Subscriber without interest.

The Class C Shares offered pursuant to this Offering will be issued electronically through the non-certificated inventory ("NCI") system and registered to and held by, or on behalf of, CDS or its successor, as custodian for the CDS Participants. Purchasers of Class C Shares will not receive Class C Share certificates. Rather, the Class C Shares will be represented in "book-entry" form (unless the Corporation, in its sole discretion, elects to prepare and deliver Class C Share certificates). Beneficial interests in the Class C Shares will be represented through book-entry accounts of the CDS Participants. Each purchaser of a Class C Share will receive a confirmation of purchase from the transfer agent. CDS will be responsible for establishing and maintaining book-entry accounts for the CDS Participants having interests in Class C Shares. If CDS notifies the Corporation that it is unwilling or unable to continue as depository, or if at any time CDS ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation is unable to locate a qualified successor, beneficial owners of Class C Shares holding through the NCI system at such time will receive Class C Share certificates.

The subscription funds will be held until midnight of the second business day subsequent to the date that each Subscription Agreement is signed by a Subscriber.

**(b) Distribution**

The Offering is being conducted:

- (i) in the Provinces of British Columbia, Alberta, Saskatchewan Manitoba and Ontario pursuant to the exemptions from the prospectus requirements afforded by Section 2.9 of NI 45-106; and
- (ii) in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario pursuant to the exemptions from the prospectus requirements afforded by Section 2.3 and Section 2.10 of NI 45-106 or Section 73.3(2) of the *Securities Act* (Ontario), as applicable.

The exemption pursuant to Section 2.9 of NI 45-106 is available for distributions to Subscribers in British Columbia, Alberta, Saskatchewan, Manitoba or Ontario purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a Risk Acknowledgment Form attached to the Subscription Agreement.

In addition, Alberta, Saskatchewan, Manitoba and Ontario Subscribers relying on the exemption set out in Section 2.9 of NI 45-106 and subscribing for more than \$10,000 and less than \$150,000 in Class C Shares must also sign the Eligible Investor Representation Letter attached to the Subscription Agreement.

The exemption pursuant Section 73.3(2) of the *Securities Act* is available for distributions to Subscribers in the Province of Ontario purchasing as principal and who are “accredited investors” as defined in the *Securities Act* (Ontario).

The foregoing exemptions relieve the Corporation from the provisions of the applicable securities laws of each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario which otherwise would require the Corporation to file and obtain a receipt for a prospectus. Accordingly, prospective Subscribers for Class C Shares will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

The exemptions from the registration requirements contained in the applicable securities laws of each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario allow the Corporation to offer the Class C Shares for sale directly to the Subscribers.

**ITEM 6 - INCOME TAX CONSEQUENCES AND DEFERRED PLAN ELIGIBILITY**

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

The Tax Act and Regulations provide that a Canadian corporation may make an election to become a “public corporation” as defined by the Tax Act in circumstances where that corporation has not less than 150 shareholders of “equity shares” as defined under the Tax Act, of a class that has been qualified for distribution to the public. None of the 150 shareholders may be “insiders” of the Corporation, each shareholder of the Corporation must hold at least 100 Class C shares of the Corporation having an aggregate fair market value of not less than \$500 and insiders of the Corporation may not hold more than 80% of the issued and outstanding Class C Shares.

The Corporation has satisfied these conditions, made the necessary election and is now deemed to be a “public corporation” for purposes of the Tax Act, including provisions governing qualified investments for Deferred Plans.

Accordingly, the Corporation’s securities are eligible to be held in Deferred Plans pursuant to the Tax Act and Regulations.

There are additional requirements for a TFSA, RRSP or RRIF in order for the Class C Shares not to be a “prohibited investment” which would be subject to a special tax. The Class C Shares will be a “prohibited investment” if the account holder does not deal at “arm’s length” with the Corporation or the account holder is a “specified shareholder” of the Corporation as defined in the Tax Act, generally a person who has a 10% or greater interest in the Corporation together with non-arm’s length persons. Assuming the account holder meets the above requirements, the Class C Shares will not be a “prohibited investment”.

Should the proposed Reorganization (as described herein in Section 2.8) take place, neither Newco, Permex LP nor the Corporation are expected to incur any taxable gains or income as a result of the transactions contemplated thereby by virtue of the each of the contemplated steps either not producing a taxable transaction or otherwise being performed on a tax neutral basis in accordance with subsections 85(2) and 85(3) of the Tax Act.

The income tax information herein was based on the current provisions of the Tax Act, the Regulations and known administrative practices of the CRA.

## **ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS**

Where allowed by applicable securities legislation, the Corporation intends to offer compensation of up to 8% of the gross proceeds realized on the sale of Class C Shares under this Offering to any one of, or a combination of, the following parties: unrelated investment dealers, unrelated Exempt Market Dealers and/or their dealing representatives, parties related to the Corporation, employees and/or contractors of such parties, and officers and directors of the Corporation. All compensation for the sale of Class C Shares of the Corporation will be paid on the Corporation's behalf by Permex LP.

## **ITEM 8 - RISK FACTORS**

Purchase of Class C Shares pursuant to this Offering should only be made after consulting with independent and qualified sources of investment and tax advice. Investment in the Class C Shares at this time is highly speculative due to the stage of the Corporation's development. An investment in Class C Shares is appropriate only for investors who are prepared to invest money for a long period of time and who have the capacity to absorb a loss of some or all of their investment. Investors must rely on management of the Corporation. Any investment in the Corporation at this stage involves a high degree of risk.

In addition to the risks of purchasing the Class C Shares in the Corporation found elsewhere within this Offering Memorandum are the following:

1. The Corporation's proposed investment in Permex LP involves a number of significant risks inherent to Permex LP. Prospective investors should carefully consider the risk factors described under the heading "Risk Factors" in the Permex LP Offering Memorandum in their assessment of the suitability of an investment in Class C Shares.
2. Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum by any regulatory authorities.
3. The Corporation will have a limited amount of working capital, as the majority of the proceeds from this Offering will be used to purchase the Permex LP Units.
4. There is no assurance or guarantee that purchasers of securities pursuant to this Offering will earn a return on their investment.
5. There can be no assurance that any additional funding, if needed, will be available on terms attractive to the Corporation, or at all.
6. The tax consequences associated with an investment in the Class C Shares may be subject to changes in federal and provincial tax laws. There can be no assurance that the tax laws will not be changed in a manner that will fundamentally alter the income tax consequences to investors holding or disposing of the Class C Shares. If the Class C Shares cease to be eligible Deferred Plan investments, an annuitant under a Deferred Plan which acquires or holds Class C Shares may be required to include in his or her income the fair market value of the Class C Shares acquired by the Deferred Plan, may incur penalties, and may have the registration of the Deferred Plan revoked. There is also a risk that CRA may reassess the returns of Subscribers relating to their investment in the Class C Shares.
7. An investment in the Class C Shares is an illiquid investment. There is currently no market through which the Class C Shares may be sold. The Corporation is not a "reporting issuer" in any jurisdiction, and a prospectus has not qualified the issuance of the Class C Shares. Accordingly, investors will be unable to sell the Class C Shares, subject to some limited exceptions.
8. The Class C Shares offered pursuant to this Offering Memorandum are not insured against loss through the Canadian Deposit Insurance Corporation or any other insurance company or program.
9. The Class C Shares offered by the Corporation are not an investment in the oil and gas assets of Permex LP but an investment in equity securities of the Corporation. The Corporation will not be investing in oil and gas assets but will instead be acquiring Permex LP Units.
10. The offering price of the Class C Shares has been determined by the Corporation. The offering price is not an

indication of the value of the Class C Shares or that any of the Class C Shares could be sold for an amount equal to the offering price or for any amount.

11. Subject to the BCA, holders of Class C Shares will have no right to vote on any matters affecting the Corporation, other than with respect to those matters specified by the BCA. Exclusive authority and responsibility for controlling and managing the Corporation rests with management of the Corporation and those persons, consultants and advisors retained by management on behalf of the Corporation. Accordingly, investors should appreciate that they will be relying on the good faith, experience, expertise and ability of directors and officers of the Corporation and other parties for the success of the business of the Corporation.
12. The success of the Corporation is dependent upon, among other things, the services of key personnel. The loss of any one of these parties, for any reason, could have a material adverse affect on the prospects of the Corporation. Failure to retain or to attract additional key employees with necessary skills could have a material adverse impact upon the Corporation's growth and profitability. The Corporation does not maintain key man insurance for its director, officer or employee(s). The contributions of these individuals to the immediate future operations of the Corporation is likely to be of central importance and the loss of any one of these individuals could have a material adverse affect on the business of the Corporation.
13. Not all of the directors and officers of the Corporation will be devoting all of their time to the affairs of the Corporation, but will be devoting such time as required to effectively manage the Corporation. The directors and officers of the Corporation are engaged and will continue to be engaged in the search for business prospects on their own behalf and on behalf of others.
14. Most of the directors and officers of the Corporation are the also directors and officers of the General Partner of Permex LP and as such control the distribution of funds from Permex LP to its limited partners, such as the Corporation.
15. There are additional potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Situations may arise where the directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the BCA.
16. The recent unprecedented events in the global financial markets have had a profound impact on the global economy. Virtually all economic sectors are impacted by these market conditions. Some of the key impacts of the current market turmoil include: sharp contractions in the credit markets resulting in a widening of credit risk spreads and higher costs of funding; a deterioration in the credit ratings of a number of large financial institutions; devaluations and high volatility in global equity, commodity, foreign exchange and precious metals markets and a corresponding lack of market liquidity; and a slowdown in economic activity that is affecting major global economies. These events could have a significant impact on Permex LP's business and its assets and thereby adversely affect the returns of the Corporation as a limited partner in Permex LP.
17. The Corporation has had three years of operations. Accordingly, there is a limited operating history upon which to base an evaluation of the Corporation and its business and prospects. The Corporation is in the early stages of its business and therefore is subject to the risks associated with early stage companies, including start-up losses, uncertainty of revenues, markets and profitability, the need to raise additional funding, the evolving and unpredictable nature of the Corporation's business and the ability to identify, attract and retain qualified personnel. There can be no assurance that the Corporation will be successful in doing what it is required to do to overcome these risks. No assurance can be given that the Corporation's business activities will be successful.
18. The Corporation's current short and long term objective is to acquire Kentucky LP Units and Permex LP Units. The Corporation does not intend to carry on any other business other than holding Kentucky LP and Permex LP Units acquired by the Corporation. The Corporation's sole source of revenue is expected to be from distributions made by the Kentucky LP and Permex LP and Permex LP to its limited partners.
19. Holders of Class C Shares may be paid dividends solely out of all profits or surpluses related to the Corporation's holdings of Partnership Units available for distribution and will have priority only with respect to all amounts related to the Corporation's holdings of Permex LP Units. However, the Corporation's business activities also include holding Kentucky LP Units. The Corporation may be subject to a variety of civil or other legal proceedings, with or without merit, which may relate to, among other things, these other business activities.
20. There are limits on the rights of a Shareholder to retract the Class C Shares of the Corporation. This investment is not suitable for investors who will require short term liquidity.

21. The directors and officers of the Corporation are directors, officers and shareholders of other entities, including those disclosed below, which are directly or indirectly related to the Corporation and are also involved in other businesses and projects related to oil and gas properties and natural resources, generally. As a consequence, their interests may from time to time conflict with the interests of the Corporation and the Permex LP. The directors of the General Partner are required by law to act honestly and in good faith with a view to the best interests of the General Partner and to disclose any interest that they may have in any conflicting project or opportunity of the General Partner. If a conflict of interest arises at a meeting of the Board of Directors of the General Partner, any director in a conflict will disclose his interest and act in accordance with applicable corporate law.

Certain of the directors and officers of the General Partner are directors, officers and shareholders of the Manager, which intends to or may enter into project management, funding, and property management, acquisition and disposition agreements with the General Partner, and are also directors and/or officers of other Affiliates of the General Partner and their Affiliates. In addition, certain Affiliates of the General Partner may, where not prohibited by applicable securities regulation, act as Selling Agents and receive fees and commissions with respect thereto. The General Partner may from time to time cause the Limited Partnership to enter into other contractual arrangements with the Manager and/or its Affiliates and/or their respective directors, officers and employees for the provision of certain services and for compensation regarding such services.

In addition, the Corporation, through its sale of Class A shares, has purchased units in the Kentucky LP, the general partner of which is Kentucky Petroleum Operating Ltd. ("Kentucky Petroleum"), which is involved in the same business as that carried on by, and an Affiliate of, the Permex LP. Mehran Ehsan, a director and the President and Treasurer of the Corporation, is also a director and the Chief Executive Officer, President and the Treasurer of the General Partner and is a director and the Chief Executive Officer and the President of the Initial Limited Partner/Manager and is a director, the President and Chief Executive of Kentucky Petroleum and owns 75% of the issued and outstanding common shares of Kentucky Petroleum. Barry Whelan, a director and the Chief Operating Officer of the Corporation is a director and the Chief Operating Officer of both of the General Partner and the Initial Limited Partner/Manager and is also a director and the Chief Operating Officer of Kentucky Petroleum. The Initial Limited Partner/Manager, is wholly-owned by Mehran Ehsan. As such conflicts of interest may arise between their duties as officers and directors of the General Partner and the Initial Limited Partner and their duties as officers and directors of Kentucky Petroleum, and in the case of Mehran Ehsan, his ownership of the Initial Limited Partner/Manager and Kentucky Petroleum. No Class A Shareholders will have any interest in assets of the Permex LP and no Class C Shareholders will have any interest in the assets of Kentucky LP.

22. The Corporation is a party to the Partnership Agreement as a limited partner pursuant to its acquisition of Permex LP Units. As a result, the Partnership Agreement is a material agreement to the Corporation. Subscribers to this Offering will not be parties to the Partnership Agreement and will not have any rights thereunder and will not have any rights under the Permex LP Offering Memorandum.
23. Investors may not be able to redeem their shares due to restrictions on redemptions and the Annual Limit. **(See item 4 capital structure – retractions)**

***As many of the risks associated with the Partnership's business will have a direct impact on the Corporation, investors are cautioned and advised to also review the risk factor disclosures in Item 8 of the Permex Petroleum LP Offering Memorandum.***

## **ITEM 9 - REPORTING OBLIGATIONS**

### **9.1 Reporting to Shareholders**

The Corporation is not a reporting issuer in any jurisdiction. It is therefore not required to disclose material changes which occur in its business and affairs, nor is it required to file with any securities regulatory authorities or provide security holders with interim financial statements.

The Corporation is required to place before the shareholders of a Corporation before every annual meeting of the Corporation the financial statements of the Corporation. The Corporation shall, not less than 21 days before each annual meeting of the shareholders of the Corporation or before the signing a resolution in lieu of an annual general meeting, provide a copy of the financial statements of the Corporation to each shareholder.

Within 120 days after the end of its financial years, the Corporation is required to file its audited financial statements with the regulators in Alberta and Ontario and to make such statements reasonably available to its security holders.

**Financial or other information provided to you by the Corporation in the future may not by itself be sufficient to assess the performance of your investment.**

## **ITEM 10 – RESALE RESTRICTIONS**

### **10.1 General Statement**

The Class C Shares will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Class C Shares unless you comply with an exemption from the prospectus and registration requirements under applicable securities legislation. As at the date of this Offering Memorandum, it is not anticipated that the Class C Shares will ever be listed or quoted on any stock exchange or marketplace and accordingly, the restriction on trading may never expire.

### **Incapacity, Death, Insolvency or Bankruptcy**

Where a person becomes entitled to a Class C Share on the incapacity, death, insolvency or bankruptcy of a Class C shareholder, or otherwise by operation of law, that person will not be recorded as or become a Class C shareholder and will not receive a share certificate or a deposit receipt therefor, as the case may be, until:

- (a) the person produces evidence satisfactory to the Corporation of such entitlement; and
- (b) the person has delivered such other evidence, approvals and consents in respect of such entitlement as the Corporation may require and as may be required by law or by the Partnership Agreement.

### **10.2 Restricted Period**

#### **Resale Restrictions - British Columbia, Alberta, Saskatchewan and Ontario Investors**

Unless permitted under securities legislation, you cannot trade the Class C Shares without an exemption before the date that is four (4) months and a day after the date the Corporation becomes a reporting issuer in any Province or Territory of Canada. As at the date of this Offering Memorandum, it is not anticipated that the Corporation will ever become a reporting issuer in any Province or Territory of Canada.

#### **Resale Restrictions - Manitoba Investors**

Unless permitted under applicable securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless (a) the Corporation has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or (b) you have held the securities for at least 12 months. The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

## **ITEM 11 – PURCHASERS' RIGHTS**

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

### **11.1 Two Day Cancellation Right**

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Corporation by midnight on the second (2nd) business day after you sign a Subscription Agreement to buy the Class C Shares.

### **11.2 Rights of Action in the Event of a Misrepresentation**

In certain circumstances, investors resident in certain Provinces of Canada are provided with a remedy for rescission or damages, or both, in addition to any other right they may have at law, where an offering memorandum and any amendment to it contains a misrepresentation. For the purpose of the following summary, a "misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading or false in light of the circumstances in which it was made. A "material fact" means



any fact that significantly affects or could reasonably be expected to significantly affect the market price or the value of the Class C Shares. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the investor within the time limits prescribed by the applicable securities legislation.

The following summary is subject to the express provisions of the applicable securities laws, regulations and rules of the applicable Provinces, and reference is made thereto for the complete text of such provisions. Such provisions may contain limitations and statutory defences not described herein on which the Corporation and other applicable parties may rely. **Investors should refer to the applicable provisions of the securities legislation of their Province for the particulars of these rights or consult with a legal adviser.**

The applicable contractual and statutory rights are summarized below and such contractual rights will be embodied in the Subscription Agreement to be executed and delivered by each investor to the Corporation prior to the issuance of Class C Shares. By its execution of the Subscription Agreement, the Corporation will be deemed to have granted these rights to the particular investor.

The applicable statutory rights are available to an investor whether or not the investor relied on the misrepresentation. However, there are various defences available to the persons or companies an investor has a right to sue, including if the investor knew of the misrepresentation when the investor purchased the securities.

The rights of action described below are in addition to and without derogation from any right or remedy available at law to the investor and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defences contained therein.

If you intend to rely on the rights described below, you must do so within strict time limitations, which are described below.

#### **Rights of Action - British Columbia and Alberta Investors Only**

Securities legislation in British Columbia and Alberta provides that every investor in securities pursuant to this Offering Memorandum shall have, in addition to any other rights they may have at law, a right of action for damages or rescission, against the Corporation and every person or company who signs the Offering Memorandum or any amendment thereto, in the event that the Offering Memorandum or any amendment thereto contains a misrepresentation. However, such rights must be exercised within prescribed time limits. Investors should refer to the applicable provisions of the British Columbia or Alberta securities legislation for particulars of those rights or consult with a lawyer.

If the investor elects to exercise the right of rescission, the investor will have no right of action for damages.

In British Columbia and Alberta, no action shall be commenced to enforce a statutory right of action unless the right is exercised:

- (a) in the case of rescission, on notice to the Corporation not later than 180 days from the day of the transaction that gave rise to the cause of action, or
- (b) in the case of damages, on notice given to the Corporation not later than
  - (i) 180 days from the day the investor first had knowledge of the facts giving rise to the cause of action, or
  - (ii) three years from the day of the transaction that gave rise to the cause of action.

With respect to an action for damages, the Corporation will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon.

#### **Rights of Action - Manitoba Investors Only**

The right of action for rescission or damages described herein is conferred by section 141.1 of the Securities Act (Manitoba) (the "**Manitoba Act**"). The Manitoba Act provides, in the relevant part, that in the event that this Offering Memorandum contains a misrepresentation, an investor who purchases a security offered by the Offering Memorandum is deemed to have relied on the representation if it was a misrepresentation at the time of purchase.

Such investor has a statutory right of action for damages against the Corporation and every person or company who signed the Offering Memorandum or, alternatively, while still an owner of the securities purchased by the investor, may

elect instead to exercise a statutory right of rescission against the Corporation, in which case the investor shall have no right of action for damages against the Corporation or any person or company who signed the Offering Memorandum. No such action may be commenced to enforce the right of action for rescission or damages more than: (a) 180 days after the day of the transaction that gave rise to the cause of action, in the case of an action for rescission; or (b) the earlier of: (i) 180 days after the day that the investor first had knowledge of the facts giving rise to the cause of action; or (ii) two years after the day of the transaction that gave rise to the cause of action, in any other case.

The Manitoba Act provides a number of limitations and defences, including the following:

- no person or company will be liable if the person or company proves that the investor had knowledge of the misrepresentation;
- in the case of an action for damages, the Corporation is not liable for all or any part of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation; and
- in no case will the amount recoverable in any action exceed the price at which the Class C Shares were offered under this Offering Memorandum.

All persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

In addition, a person or company, other than the Corporation, will not be liable if that person or company proves that:

- (a) the Offering Memorandum was sent to the investor without the person's or company's knowledge or consent, and that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the Corporation that it was sent without the person's or company's knowledge and consent;
- (b) after becoming aware of the misrepresentation, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable notice to the Corporation of the withdrawal and the reason for it; or
- (c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company did not have any reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of the Offering Memorandum (A) did not fairly represent the expert's report, opinion or statement, or (B) was not a fair copy of, or an extract from, the expert's report, opinion or statement.

In addition, no person or company, other than the Corporation, is liable with respect to any part of the Offering Memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, the Offering Memorandum, the misrepresentation is deemed to be contained in the Offering Memorandum.

### **Rights of Action - Saskatchewan Investors Only**

The right of action for rescission or damages described herein is conferred by section 138 of the Securities Act, 1988 (Saskatchewan) (the "**Saskatchewan Act**"). The Saskatchewan Act provides, in the relevant part, that in the event that this Offering Memorandum, together with any amendments hereto contains a misrepresentation, an investor who purchases securities covered by the Offering Memorandum has, without regard to whether the investor relied on the misrepresentation, a statutory right for rescission against the Corporation or has a right of action for damages against:

- (a) the Corporation;
- (b) every promoter and director of the Corporation at the time the Offering Memorandum or any amendment to

it was sent or delivered;

- (c) every person or company whose consent has been filed respecting the Offering, but only with respect to reports, opinions or statements that have been made by them;
- (d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the Offering Memorandum or the amendment to the Offering Memorandum; and
- (e) every person who or company that sells securities on behalf of the Corporation under the Offering Memorandum or amendment to the Offering Memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

- (a) if the investor elects to exercise its rights of rescission against the Corporation, it shall have no right of action for damages against the Corporation;
- (b) in an action for damages, a defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the security resulting from the misrepresentation relied on;
- (c) no person or company, other than the Corporation, is liable for any part of the Offering Memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of or an extract from a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;
- (d) in no case shall the amount recoverable exceed the price at which the securities were offered; and
- (e) no person or company is liable in an action for rescission or damages if that person or company proves that the investor purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Corporation, will be liable if the person or company proves that:

- (a) the Offering Memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or
- (b) with respect to any part of the Offering Memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, (ii) the part of the Offering Memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or (iii) the part of the Offering Memorandum or any amendment to it was not a fair copy of or an extract from the report, opinion or statement of the expert. Similar rights of action for damages and rescission are provided in respect of a misrepresentation in advertising or sales literature disseminated in connection with an offering of securities.

The Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective investor that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the investor has, without regard to whether the investor relied on the misrepresentation at the time of purchase, a right of action for damages against the individual who made the verbal statement.

The Saskatchewan Act provides an investor with the right to void the purchase agreement and to recover all money and other consideration paid by the investor for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

The Saskatchewan Act also provides a right of action for rescission or damages to an investor of securities to whom this Offering Memorandum or any amendment to it was not sent or delivered prior to or at the same time as the investor enters into an agreement to purchase the securities, as required by the Saskatchewan Act.

The Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any other action, other than an action for rescission, the earlier of:
  - (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
  - (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides an investor who has received an amended offering memorandum delivered in accordance with the Saskatchewan Act with a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the investor's intention not to be bound by the purchase agreement, provided such notice is delivered by the investor within two business days of receiving the amended offering memorandum.

### **Rights of Action – Ontario Investors only**

Securities legislation in Ontario provides that, in addition to any other rights an investor may have at law, in the event that this Offering Memorandum, together with any amendments thereto, is delivered to an investor of Units resident in Ontario and contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made, the investor will have a right of action against the Limited Partnership for damages or rescission. Purchasers should refer to the applicable provisions of the Ontario securities legislation for particulars of those rights or consult with a lawyer. A “material fact” means any fact that significantly affects or would reasonably be expected to have a significant effect on the market price of the value of the Units.

In Ontario, no action shall be commenced to enforce a statutory right of action unless the right is exercised:

- (a) in the case of rescission, not later than 180 days from the date of the transaction that gave rise to the cause of action, or
- (b) in the case of damages, not later than the earlier of:
  - (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or
  - (ii) three years after the date of the transaction that gave rise to the cause of action.

**Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them. The rights discussed above are in addition to and without derogation from any other rights or remedies, which subscribers may have at law.**

**THE FOREGOING IS A SUMMARY ONLY AND SUBJECT TO INTERPRETATION. REFERENCE SHOULD BE MADE TO THE APPLICABLE SECURITIES LEGISLATION, THE REGULATIONS AND THE RULES THEREUNDER FOR THE COMPLETE TEXT OF THE PROVISIONS UNDER WHICH THE FOREGOING RIGHTS ARE CONFERRED. THE FOREGOING SUMMARY IS SUBJECT TO THE EXPRESS PROVISIONS THEREOF.**

## ITEM 12 - FINANCIAL STATEMENTS

**N.A. ENERGY RESOURCES INVESTMENT CORPORATION**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2016 AND 2015**

## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
N.A. Energy Resources Investment Corporation

We have audited the accompanying financial statements of N.A. Energy Resources Investment Corporation, which comprise the statement of financial position as at December 31, 2016, and the statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of N.A. Energy Resources Investment Corporation as at December 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### *Emphasis of Matter*

Without qualifying our opinion, we draw attention to Note 2 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about N.A. Energy Resources Investment Corporation's ability to continue as a going concern.



***Other Matters***

The financial statements of N.A. Energy Resources Investment Corporation for the year ended December 31, 2015 were audited by another auditor who expressed an unmodified opinion on those statements on April 13, 2016.

As part of our audit of the 2016 financial statements, we also audited the adjustments described in Note 13 that were applied to amend the 2015 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2015 financial statements of the Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2015 financial statements taken as a whole.

**“DAVIDSON & COMPANY LLP”**

Vancouver, Canada

Chartered Professional Accountants

May 19, 2017



**N.A. ENERGY RESOURCES INVESTMENT CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31,**


	Note	2016	2015
	13		(Restated)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 191	\$ -
Amounts due from related party	6	200	-
		391	-
<b>Non-current assets</b>			
Equity investment in Permex Petroleum Limited Partnership	5	2,408,429	2,479,185
<b>Total assets</b>		\$ 2,408,820	\$ 2,479,185
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>			
<b>Current liabilities</b>			
Trade and other payables		\$ 1,463	\$ 40
Amounts due to related party	6	10,580	-
		12,043	40
<b>Non-current assets</b>			
Redeemable share liability	8	9,633,900	9,303,000
<b>Total liabilities</b>		9,645,943	9,303,040
<b>Shareholders' deficiency</b>			
Share capital	7	10	10
Deficit		(7,237,133)	(6,823,865)
<b>Total shareholders' deficiency</b>		(7,237,123)	(6,823,855)
<b>Total liabilities and shareholders' deficiency</b>		\$ 2,408,820	\$ 2,479,185

**Events after the reporting period** (Note 14)

The financial statements were authorized for issue by the board of directors on May 19, 2017 and were signed on its behalf by:



\_\_\_\_\_  
Director



\_\_\_\_\_  
Director

The accompanying notes are an integral part of these financial statements.

**N.A. ENERGY RESOURCES INVESTMENT CORPORATION**  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**YEARS ENDED DECEMBER 31,**

	Note	2016	2015
	13		(Restated)
<b>Loss from equity investments</b>			
Loss from Kentucky Petroleum Limited Partnership (net)	4	\$ -	\$ (2,538,246)
Loss from Permex Petroleum Limited Partnership (net)	5	(339,473)	(316,553)
		(339,473)	(2,854,799)
<b>Expenses</b>			
Administrative fees		-	2,800
Bank charges and interest		168	-
Filing and transfer agent fees		11,914	-
		(12,082)	(2,800)
		(351,555)	(2,857,599)
Interest on redeemable shares		(62,183)	(82,440)
Miscellaneous income		470	-
		(61,713)	(82,440)
<b>Loss and comprehensive loss for the year</b>		\$ (413,268)	\$ (2,940,039)
<b>Basic and diluted loss per common share</b>	7	\$ (413,268)	\$ (2,940,039)
<b>Weighted average number of common shares outstanding</b>		1	1

The accompanying notes are an integral part of these financial statements.

**N.A. ENERGY RESOURCES INVESTMENT CORPORATION**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY**

	Note	Number of common shares	Share capital	Deficit	Total deficiency
Balance, December 31, 2014		1	\$ 10	\$ (3,883,826)	\$ (3,883,816)
Net loss for the year		-	-	(2,940,039)	(2,940,039)
Balance, December 31, 2015		1	10	(6,823,865)	(6,823,855)
Net loss for the year		-	-	(413,268)	(413,268)
Balance, December 31, 2016		1	\$ 10	\$ (7,237,133)	\$ (7,237,123)

The accompanying notes are an integral part of these financial statements.

**N.A. ENERGY RESOURCES INVESTMENT CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31,**

	Note	2016	2015
	13		(Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss for the year		\$ (413,268)	\$ (2,940,039)
Adjustments for:			
Interest on redeemable shares		62,183	82,440
Loss from Kentucky Petroleum Limited Partnership		-	2,538,246
Loss from Permex Petroleum Limited Partnership		339,473	316,553
Changes in non-cash working capital items:			
Amounts due from related party		(200)	-
Trade and other payables		1,423	-
Amounts due to related party		10,580	2,800
Net cash provided by operating activities		191	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment in Permex Petroleum Limited Partnership		(330,900)	(2,603,000)
Distributions from investments in Limited Partnerships		62,183	82,440
Net cash used in investing activities		(268,717)	(2,520,560)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid on redeemable shares		(62,183)	(82,440)
Proceeds from issuance of Class C redeemable shares		310,900	2,603,000
Unit subscription proceeds		20,000	-
Net cash provided by financing activities		268,717	2,520,560
Change in cash during the year		191	-
Cash, beginning of the year		-	-
Cash, end of the year		\$ 191	\$ -

There were no significant non-cash financing or investing transactions during the years ended December 31, 2016 and 2015.

The accompanying notes are an integral part of these financial statements.

**1. NATURE OF BUSINESS**

N.A. Energy Resources Investment Corporation (the “Company”) was incorporated on August 2, 2011 under the laws of British Columbia, Canada and maintains its head office at Suite 1290, 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. Its registered office is located at Suite 1600, 925 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3L2. The business of the Company is to raise funds to invest in Kentucky Petroleum Limited Partnership (“Kentucky LP”) and Permex Petroleum Limited Partnership (“Permex LP”), two Canadian limited partnerships that are in the business of acquiring, developing and operating oil and gas properties in North America. The investment objective is to earn income from distributions from the two partnerships and to distribute such income to its investors.

**2. BASIS OF PREPARATION**

**Statement of compliance**

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements were approved and authorized for issuance by the Company’s board of directors on May 19, 2017.

**Basis of measurement**

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values. In addition these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

**Functional and presentation currency**

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

**Going concern of operations**

These financial statements have been prepared on a going concern basis which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has incurred losses since inception and had an accumulated deficit of \$7,237,133 (2015 - \$6,823,865) and a working capital deficiency of \$11,652 (\$40 as at December 31, 2015) as at December 31, 2016. The Company’s ability to continue as a going concern is dependent on its ability to obtain adequate financing and/or to commence profitable operations in the future. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern.

These financial statements do not include adjustments that would be required if the going concern assumptions is not an appropriate basis for preparation of the financial statements. These adjustments could be material.

**2. BASIS OF PREPARATION (cont'd...)**

**Significant estimates and assumptions**

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

- i) The equity investments in Kentucky LP and Permex LP are subject to estimates of impairment assessments.
- ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

**Significant judgements**

The preparation of these financial statements requires management to make judgements, apart from those involving estimates, in applying accounting policies. The most significant judgements in applying the Company's financial statements include:

- i) Classification of Class A and Class C share liabilities, which is based on the characteristics of a financial liability.
- ii) The determination of the Company's functional currency, which is dependent on the currency of the Company's primary economic environment.
- iii) The assessment of the Company's ability to continue as a going concern involves judgement regarding future funding available for its exploration projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.
- iv) The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been consistently applied to all years presented in these financial statements, unless otherwise indicated.

#### **Cash**

Cash consists of cash on hand and at banks and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash.

#### **Foreign currencies**

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

#### **Equity investments in Kentucky LP and Permex LP**

The Company's investments in its associates, Kentucky LP and Permex LP are accounted for using the equity method. An associate is an entity in which the Company has significant influence. Under the equity method, the investment in the associate is recognized initially at cost. The Company's share of the results of operations of the associates is recognized through an increase or reduction in the carrying value of the investment and through profit or loss. Distributions from the associates are recognized as a reduction in the carrying value of the investment.

When the Company's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

At each reporting date, the Company assesses whether there is any objective evidence that the investments in the associates are impaired. If such evidence exists, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in profit or loss.

#### **Class A and Class C redeemable shares**

The Company recognizes all Class A or Class C shares issued as a liability, as they contain characteristics of a financial liability, including the ability to be redeemed by the holder of these shares upon providing notice to the Company.

Dividends declared and associated with these shares are included in profit or loss as an interest expense, consistent with the classification of the shares as a financial liability.

#### **Earnings (loss) per share**

Basic earnings (loss) per share ("EPS") is calculated by dividing the income (loss) attributable to shareholders by the weighted average number of shares outstanding in the period. For all periods presented, the loss attributable to shareholders equals the reported loss attributable to owners of the Company. In calculating the diluted EPS, the weighted average number of common shares outstanding assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments**

(i) Financial assets

The Company classifies its financial assets into one of the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

*Fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. None of the Company's financial assets are classified as fair value through profit or loss.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus any directly attributable transaction costs and subsequently carried at amortized cost less any impairment. The Company's loans and receivables comprise cash and amount due from related parties.

*Held-to-maturity*

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost at the settlement date using the effective interest method of amortization. None of the Company's financial assets are classified as held-to-maturity assets.

*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Subsequent to initial recognition, changes in the fair value of available-for-sale financial assets other than impairment losses are recognized as other comprehensive income and classified as a component of equity. When available-for-sale financial assets are sold, the accumulated fair value adjustments recognized in other comprehensive income are transferred to profit and loss. None of the Company's financial assets are classified as available-for-sale assets.



**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments (cont'd...)**

(ii) Financial liabilities

The Company classifies its financial liabilities as other financial liabilities which include trade and other payables. Other financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

(iii) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired.

*Loans and receivables*

For loans and receivables, a provision for impairment is made and an impairment loss is recognized in profit or loss when there is objective evidence (such as default or delinquency by a debtor, the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the agreement. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

*Available-for-sale financial assets*

For equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is evidence that the assets are impaired. The Company will measure impairment on the basis of an instrument's fair value using an observable market price. An amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Impairment losses recognised on equity instruments are not reversed through profit or loss if the unrealized fair value of the impaired equity instruments increases.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**Income taxes**

Current income tax assets and liabilities for each reportable period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss.

### **3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

#### **Income taxes (cont'd...)**

Deferred tax is provided using the statement of financial position liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off deferred tax assets against deferred tax liabilities, the income taxes relate to the same taxable entity and the same taxation authority, and the Company intends to settle its deferred tax assets and liabilities on a net basis.

#### **Comparative information**

Certain comparative information in these financial statements has been reclassified to conform to the presentation of the current period financial statements.

#### **New accounting policies**

There were no new standards effective January 1, 2016 that had a material impact on the Company's financial statements. A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2017, or later periods. The Company has not applied these new standards in preparing these financial statements. The following pronouncements are considered by the Company to be the most significant of several pronouncements that may affect the financial statements in future periods.

- New standard IFRS 9 *Financial Instruments* ("IFRS 9") has been issued by the IASB to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of adopting IFRS 9 on its financial statements.
- New standard IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") has been issued by IASB to replace IAS 18 *Revenue* and IAS 11 *Construction Contracts*. This new standard sets out the requirements for recognizing and disclosing revenues that apply to all contracts with customers. The effective date of IFRS 15 is for annual periods beginning on or after January 1, 2018.
- New standard IFRS 16 *Leases* ("IFRS 16") has been issued by the IASB to replace IAS 17 *Leases*. This new standard sets out the requirements for recognizing and disclosing leases. The objective is to ensure that lessees and lessors provide relevant information that faithfully represents the transactions. The effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019.

The Company is currently assessing the impact that these new standards will have on its financial statements and whether to early adopt any of the new standards.

**N.A. ENERGY RESOURCES INVESTMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**

**4. INVESTMENT IN KENTUCKY PETROLEUM LIMITED PARTNERSHIP**

As of December 31, 2016, the Company has a 63% (December 31, 2015 - 63%) partnership interest in Kentucky LP. The continuity of the Company's investment in Kentucky LP is as follows:

Balance at December 31, 2014	\$ 2,538,246
Share of loss of equity investee	(2,538,246)
Balance at December 31, 2015 and 2016	\$ -

Summary financial information of Kentucky LP on a gross basis for the years ended December 31, 2016 and 2015 is as follows:

As at December 31,	2016	2015
Current assets	\$ 37,934	\$ 38,229
Non-current assets	-	406,000
Current liabilities	(225,981)	(318,630)
Non-current liabilities	(509,686)	(437,290)
Net liabilities	\$ (697,733)	\$ (311,691)
Years ended December 31,	2016	2015
Revenue	\$ 67,806	\$ 180,011
Expenses	(453,849)	(4,652,405)
Loss and comprehensive loss for the year	\$ (386,043)	\$ (4,472,394)

**N.A. ENERGY RESOURCES INVESTMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**

**5. INVESTMENT IN PERMEX PETROLEUM LIMITED PARTNERSHIP**

As of December 31, 2016, the Company holds a 71% (December 31, 2015 - 76%) of partnership interest in the Permex LP. The continuity of the Company's investment in Permex LP is as follows:

Balance at December 31, 2014	\$	275,178
Contribution to equity investment		2,603,000
Distribution from equity investment		(82,440)
Dilution gain		68,576
Share of loss of equity investee		(385,129)
Balance at December 31, 2015	\$	2,479,185
Contribution to equity investment		330,900
Distribution from equity investment		(62,183)
Dilution gain		26,542
Share of loss of equity investee		(366,015)
Balance at December 31, 2016	\$	2,408,429

Summary financial information of Permex LP on a gross basis for the years ended December 31, 2016 and 2015 is as follows:

As at December 31,	2016	2015
Current assets	\$ 68,489	\$ 35,092
Non-current assets	4,300,969	3,937,117
Current liabilities	(1,083,219)	(752,021)
Non-current liabilities	(458,079)	(464,952)
Net assets	\$ 2,828,160	\$ 2,755,236
Years ended December 31,	2016	2015
Revenue	\$ 305,063	\$ 135,461
Expenses	(811,411)	(664,541)
Loss and comprehensive loss for the year	\$ (506,348)	\$ (529,080)

**N.A. ENERGY RESOURCES INVESTMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**

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**6. RELATED PARTY TRANSACTIONS**

Amounts due from (due to) related parties are broken down as follows:

	2016	2015
Permex LP, an equity investee of the Company	\$ (10,580)	\$ -
A director of the Company	\$ 200	\$ -

Amounts due from/to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

Key management personnel include directors (executive and non-executive) and officers of the Company. There was no compensation paid or payable to key management personnel during the years ended December 31, 2016 and 2015.

The Company entered into the following related party transactions during the year ended December 31, 2016:

- a) Purchased 331 (2015 - 2,603) partnership units of Permex LP for \$330,900 (2015 - \$2,603,000).
- b) Received cash distributions of \$62,183 (2015 - \$82,440) from Permex LP.

**7. SHARE CAPITAL**

**Authorized share capital**

The authorized capital of the Company consists of:

- unlimited number of Class A non-voting, participating preferred shares without par value
- unlimited number of Class B voting, participating common shares with a par value of \$10 per share
- unlimited number of Class C non-voting, participating preferred shares without par value

The proceeds from issuance of Class A shares are invested in partnership units of Kentucky LP. The proceeds from issuance of Class C shares are invested in partnership units of Permex LP. Class A and Class C shares are retractable at the option of the holder upon giving written notice to the Company, subject to certain restrictions. As Class A and Class C shares are retractable at the option of the holder, they are classified as a liability and the related dividends are classified as interest expense (note 8).

**Issued share capital**

At December 31, 2016 and 2015, the Company had 1 Class B common share outstanding.

At December 31, 2016 and 2015, the Company had 6,255,000 Class A common shares outstanding.

At December 31, 2016, the Company had 3,369,900 Class C common shares outstanding (December 31, 2015 - 3,049,000).

**N.A. ENERGY RESOURCES INVESTMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**

**7. SHARE CAPITAL (cont'd...)**

**Basic and diluted EPS**

The calculation of basic and diluted EPS for the year ended December 31, 2016 was based on the loss attributable to common shareholders of \$413,268 (2015 - \$2,940,039) and a weighted average number of common shares outstanding of 1 (2015 - 1).

**8. REDEEMABLE SHARE LIABILITIES**

The Company recognizes the balances associated with the Class A and Class C shares as financial liabilities. Class A and Class C shares are retractable at the option of the holder upon giving written notice to the Company, subject to certain restrictions.

Class A and Class C share transactions are summarized as follows:

	Number of Class A shares	Class A share liabilities	Number of Class C shares	Class C share liabilities	Total liabilities
Balance, December 31, 2014	6,255,000	\$ 6,255,000	445,000	\$ 445,000	\$ 6,700,000
Share issuance	-	-	2,604,000	2,603,000	2,603,000
Balance, December 31, 2015	6,255,000	6,255,000	3,049,000	3,048,000	9,303,000
Share issuance	-	-	320,900	320,900	320,900
Issuance proceeds receivable	-	-	-	(10,000)	(10,000)
Subscription proceeds received	-	-	-	20,000	20,000
Balance, December 31, 2016	6,255,000	\$ 6,255,000	3,369,900	\$ 3,378,900	\$ 9,633,900

Dividends declared and recorded as interest expense on the redeemable share liability during the year ended December 31, 2016 were \$62,183 (2015 - \$82,440).

**N.A. ENERGY RESOURCES INVESTMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**

**9. INCOME TAXES**

**Effective tax rates:**

The effective income tax rates differ from Canadian statutory rates for the following reasons in the years ended December 31:

	2016	2015
Loss before income taxes	\$ (413,268)	\$ (2,940,039)
Statutory tax rate	26%	26%
Expected income tax recovery at statutory rates	\$ (107,000)	\$ (764,000)
Loss from equity investments	104,000	763,000
Change in unrecognized deductible temporary differences	3,000	1,000
Deferred income tax expense (recovery)	\$ -	\$ -

**Deferred income tax assets**

As at December 31, 2016, the Company has non-capital losses of approximately \$608,000 (2015 - \$597,000) for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years. These losses, if not utilized, will expire between 2031 and 2036. Deferred income tax assets which may arise as a result of these non-capital losses have not been recognized in these financial statements as the Company determined that, as at December 31, 2016, their realization is uncertain.

The nature and tax effect of the temporary differences giving rise to the unrecognized deferred tax assets are as follows:

	2016	2015
Non-capital loss carry forwards	\$ 608,000	\$ 597,000
Unrecognized deferred tax assets	\$ 158,000	\$ 155,000

Tax attributes are subject to review, and potential adjustment, by tax authorities.

## **10. FINANCIAL INSTRUMENTS**

The Company classified its financial instruments as follows: cash and due from related parties as loans and receivables and measured at amortized cost; trade and other payables and due to related party as other financial liabilities and measured at amortized cost. The carrying amount of cash, due from/to related party, trade and other payables carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments and/or the rate of interest being charged.

### **Financial risk management**

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

#### *Credit risk*

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash and due from related party. The credit risk with respect to its cash is minimal as they are held with a high-credit quality financial institution. The Company's amount due from related party is due from a director of the Company. Management does not expect these counterparties to fail to meet their obligations.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure sufficient cash is available to fund its projects and operations. As at December 31, 2016, the Company had has a working capital deficiency of \$11,652 (2015 - \$40). The Company's financial liabilities include accrued expenses and trade and other payables which have contractual maturities of 30 days or are due on demand.

#### *Interest rate risk*

The Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions. The interest rate risk on cash and cash equivalents is not considered significant due to their short-term nature and maturity.



## **11. FAIR VALUE MEASUREMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at December 31, 2016, the Company has no financial assets or financial liabilities measured at fair value. There have been no changes in these levels and no changes in classifications during the year ended December 31, 2016.

## **12. CAPITAL MANAGEMENT**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company considers amounts attributable to Partners as the component of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue additional shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

There were no changes in the Company's approach to capital management during the year ended December 31, 2016. The Company is not subject to externally imposed capital requirements.

## **13. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS**

The Company has restated its previously issued financial statements for the year ended December 31, 2015 to correct errors found in the financial statements of Kentucky LP and Permex LP for the year ended December 31, 2015. The affected financial information presented in these financial statements has been presented to give effect to the restatement.

The following tables present the impact of the restatement on the Company's previously reported financial statements for the year ended December 31, 2015.

Statement of comprehensive loss impacts	Previously reported	Adjustments	Restated
Loss from Kentucky Petroleum Limited Partnership	\$ (2,282,019)	\$ (256,227)	\$ (2,538,246)
Loss from Permex Petroleum Limited Partnership	(461,608)	145,055	(316,553)
General expenses	(2,800)	-	(2,800)
Interest on redeemable shares	(82,440)	-	(82,440)
Loss and comprehensive loss for the year	\$ (2,828,867)	\$ (111,172)	\$ (2,940,039)

**N.A. ENERGY RESOURCES INVESTMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**

**13. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS (cont'd...)**

Statement of financial position impacts	Previously reported	Adjustments	Restated
Equity investment in Kentucky Petroleum Limited Partnership	\$ 256,227	\$ (256,227)	\$ -
Equity investment in Permex Petroleum Limited Partnership	2,334,130	145,055	2,479,185
Total assets	\$ 2,590,357	\$ (111,172)	\$ 2,479,185
Current liabilities	\$ 40	\$ -	\$ 40
Redeemable share liability	9,303,000	-	9,303,000
Total liabilities	9,303,040	-	9,303,040
Equity			
Share capital	10	-	10
Deficit	(6,712,693)	(111,172)	(6,823,865)
Total equity	(6,712,683)	(111,172)	(6,823,855)
Total liabilities and equity	\$ 2,590,357	\$ (111,172)	\$ 2,479,185

The restatement has no impact on the statement of cash flow for the year ended December 31, 2015.

**14. EVENTS AFTER THE REPORTING PERIOD**

Subsequent to December 31, 2016, the Company:

- i) Issued 478,400 Class C shares at a price of \$1 per share for gross proceeds of \$478,400 which were then invested to Permex LP.
- ii) Paid dividends of \$23,076 to its Class C shareholders.

## ITEM 13 - DATE AND CERTIFICATE

Dated: June 28, 2017

This Offering Memorandum does not contain a misrepresentation.

### N.A. ENERGY RESOURCES INVESTMENT CORPORATION

*(signed) Mehran Ehsan*

**MEHRAN EHSAN,**  
President and Treasurer

*(signed) Barry Whelan*

**BARRY WHELAN,**  
Chief Operating Officer

On behalf of the Board of Directors of N.A. ENERGY RESOURCES INVESTMENT CORPORATION

*(signed) Mehran Ehsan*

**MEHRAN EHSAN,**  
Director

*(signed) Wayne Needoba*

**WAYNE NEEDOBA,**  
Director

*(signed) Barry Whelan*

**BARRY WHELAN,**  
Director

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**SCHEDULE A**

**TO THE OFFERING MEMORANDUM OF**

**N.A. ENERGY RESOURCES INVESTMENT CORPORATION**

**DATED June 28, 2017**

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**PERMEX LP OFFERING MEMORANDUM**

**DATED June 28, 2017**

**Sponsored By:**



# **ENERGY RESOURCES**

## **C O R P O R A T I O N**

**CONFIDENTIAL OFFERING MEMORANDUM**

*Attain Capital Appreciation Potential  
Reduce Taxable Income*



# PERMEX PETROLEUM LP

## OIL & GAS CASHFLOW

### CONFIDENTIAL OFFERING MEMORANDUM

June 28, 2017

#### THE ISSUER

<b>NAME:</b>	<b>PERMEX PETROLEUM LIMITED PARTNERSHIP</b>
	Address: 625 Howe Street, Suite 1290
	Vancouver, BC V6C 2T6
Phone:	(604) 259 - 2525
Fax:	(604) 674 - 5113
Email:	<a href="mailto:info@energyresourcescorp.ca">info@energyresourcescorp.ca</a>
Website	<a href="http://www.energyresourcescorp.ca">www.energyresourcescorp.ca</a>

**PERMEX PETROLEUM LIMITED PARTNERSHIP**  
(the "Limited Partnership")

**CONFIDENTIAL OFFERING MEMORANDUM**  
**June 28, 2017**

625 Howe Street, Suite 1290  
Vancouver, British Columbia V6C 2T6  
T: (604) 259-2525  
E: info@energyresourcescorp.ca  
F: (604) 674-5113

Currently Listed or Quoted?	<b>These securities do not trade on any exchange or market.</b>
Reporting Issuer?	No
SEDAR Filer?	No

**The Offering**

Securities Offered:	Limited Partnership Units (the "Unit(s)")
Price per Security:	\$1,000 per Unit
Maximum/Minimum Offering:	\$20,000,000 maximum offering through the sale of up to 20,000 Units. <b>There is no minimum. You may be the only purchaser. Funds available under the Offering may not be sufficient to accomplish our proposed objectives.</b>
Minimum Subscription Amount:	\$10,000 through the purchase of ten (10) Units. No partial Units may be purchased.
Payment Terms:	Payment for the Units must be made in full by certified cheque or bank draft to the Limited Partnership upon execution of a Subscription Agreement or at such later date determined by the General Partner in its sole discretion. See Item 5.2.
Proposed Closing Date(s):	Continuous offering until the maximum offering is achieved. Closings may occur from time to time as subscriptions are received.
Income Tax Consequences	There are important tax consequences to these securities. See Item 6.
Selling Agent:	Yes. See Item 7.

**Resale Restrictions:** You will be restricted from selling your securities for an indefinite period. However, the Units are redeemable commencing 12 months after the date of issuance. See Item 10 and Item 5.1, respectively.

**Purchaser's Rights:** You have two (2) business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11.

**No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8.**

**PERMEX PETROLEUM COPY please initial below and submit this page with your subscription agreement.**

\_\_\_\_\_  
**Investor Initial**

The Limited Partnership is a limited partnership formed under the laws of the Province of British Columbia. The affairs of the Limited Partnership are governed by the Amended and Restated Limited Partnership Agreement dated November 1, 2016, and are subject to certain restrictions contained therein. The General Partner, Permex Petroleum Operating Ltd., has exclusive authority to administer, manage, control and generally carry on the business of the Limited Partnership. The Units are being offered by the Limited Partnership to provide capital to enable the Limited Partnership to acquire Working Interests in various Oil and Gas Properties and to further develop these properties to the best ability possible. It is anticipated that such properties will be located in the States of Kentucky, Tennessee and Texas, USA and in the Provinces of Alberta and Saskatchewan, Canada. The Limited Partnership may in the future acquire and, if warranted, develop, additional Oil and Gas Properties elsewhere within North America.

**Prospective Investors should thoroughly review this Offering Memorandum and are advised to consult with their own legal and tax advisors concerning an investment in the Units.**

This Offering Memorandum does not constitute, and may not be used for, or in conjunction with, an offer or solicitation of the Units by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized by us, or to any person to whom it is unlawful to make such an offer or solicitation. This Offering Memorandum is not, and under no circumstances is to be construed as, a public offering or advertisement of the Units. You should inform yourself of and observe all legal requirements and restrictions of your jurisdiction of residence in respect of the acquisition, holding and disposition of the Units hereby offered.

The Units offered by this Offering Memorandum will be issued only on the basis of information contained in this Offering Memorandum, and no other information or representation is authorized or may be relied upon as having been authorized by the General Partner or the Limited Partnership. Any subscription for the Units made by any person on the basis of statements or representations not contained in this Offering Memorandum, or inconsistent with the information contained herein or therein, shall be solely at the risk of such person. Neither the delivery of this Offering Memorandum at any time, nor any sale to you of any of the Units hereby offered shall, under any circumstances, constitute a representation or create any implication that there has been no change in the business and affairs of the Limited Partnership since the date of the sale to you of the Units hereby offered or that the information contained herein is correct as of any time subsequent to that date.

This Offering Memorandum is highly confidential and has been prepared solely for delivery to and review by selected prospective purchasers of the Units hereby offered. This copy of the Offering Memorandum is personal to you and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire any of the Units hereby offered. The distribution of this Offering Memorandum to any person other than you and those persons, if any, retained to advise you with respect hereto is unauthorized, and any disclosure of any of its contents without the prior written consent of the General Partner is prohibited.

**By accepting delivery of this Offering Memorandum, you agree to the foregoing and undertake to make no photocopies of or to otherwise reproduce, in whole or in part, this Offering Memorandum or any documents relating hereto and, if you do not purchase any of the Units hereby offered or if the Offering is terminated, you agree to promptly return this Offering Memorandum and all such documents to the General Partner, if so requested by the General Partner.**



## GLOSSARY

In this Offering Memorandum, unless the context otherwise requires, the following words or expressions have the following meanings:

**“Accountants”** means such firm of chartered accountants as may be appointed by the General Partner as accountants for the Limited Partnership.

**“Administration Fee”** means the fee, equal to up to 5% of the gross proceeds of the Offering, paid to the Manager by the General Partner out of the GP Expense Amount in consideration for administrative services to the Limited Partnership under the Management Agreement.

**“Affiliate”** or **“Associate”** means, where used to indicate a relationship with any person,

- (a) a partner, other than a limited partner, of that person;
- (b) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity;
- (c) an entity in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than ten percent (10%) of the voting rights attached to all outstanding voting securities of the entity; or
- (d) a relative, including the spouse, of that person or a relative of that person's spouse, where the relative has the same home as that person;

and for the purpose of this definition, “spouse” includes a man or woman not married to that person but who is living with that person and has lived with that person as husband or wife for a period of not less than six (6) months.

**“Asset Management Fee”** means the fee, equal to 0.5% of the fair market value of the assets of the Limited Partnership, paid by the Limited Partnership to the Manager monthly, in arrears, pursuant to the Management Agreement. ) The asset management fee will be based on the General Partner's estimate of the fair market value of the assets of the Partnership, and that this estimate is not independent and may not be accurate.

**“CDS”** means CDS Clearing and Depository Services Inc. and its successors.

**“CDS Participant”** means a registered securities dealer which maintains a book record of Units held by CDS on behalf of a Limited Partner.

**“Date of Issue”** means the date on which a Unit is issued to a Limited Partner.

**“Deferred Plan”** means any one of or collectively an RRSP, RRIF, RESP and TFSA.

**“Extraordinary Net Cash Receipts”** means, collectively, Net Proceeds from Sale or Net Proceeds from Refinancing, as the case may be.

**“Farm-Out Agreement”** means the farm-out agreement entered into on June 25, 2014 between the General Partner on behalf of the Limited Partnership and Kentucky Petroleum, pursuant to which the Limited Partnership has acquired the right to drill and develop one (1) well, D.House Well, on the House #1 Lease.

**“Fiscal Year”** means the fiscal year of the Limited Partnership ending on December 31.

**“Fund Expenses”** means the costs and expenses (including legal, accounting and audit fees) incurred by the General Partner on behalf of the Limited Partnership and Investment Corporation, including:

- (a) organizational costs associated with organizing the Limited Partnership, the Offering, the Investment Corporation and the Investment Corporation Offering;
- (b) ongoing general and administrative expenses of the Limited Partnership, the Investment Corporation, the General Partner and their respective affiliates and associates, including salaries and wages for consultants and employees, rent and office expenses, marketing and public relations, internet hosting fees, professional fees and miscellaneous expenses; and
- (c) selling commissions and fees paid to selling agents retained by the Investment Corporation to promote the Investment Corporation Offering.

**“General Partner”** means Permex Petroleum Operating Ltd., a British Columbia company incorporated on September 17, 2012, in its capacity as the general partner of the Limited Partnership, or any person who is from time to time admitted as the general partner of the Limited Partnership in accordance with the terms of the Partnership Agreement.

**“GP Expense Amount”** means the amount, equal to 5% of the gross proceeds raised from the sale of Units from time to time pursuant to the Offering, paid to the General Partner under the Limited Partnership Agreement to cover expenses (including legal, accounting and audit fees) incurred by the General Partner in organizing the Limited Partnership and the Offering and to satisfy ongoing general and administrative expenses.

**“IIROC”** means the Investment Industry Regulatory Organization of Canada.

**“held by production”** means, with respect to an oil or gas lease, that portion of the lease that may be perpetually renewed by the lessee on substantially the same terms as the original lease, provided the lease is producing a specified amount of oil or gas.

**“House #1 Lease”** means the lease located in area called Raccoon Mountain oil fields in Laurel County, Kentucky and covering 125 acres of undeveloped land bounded on the North by France lease, on the East by Raymond Bowling lease, South by D-Smith lease and West by Adam Traylor Gardner, which lease is registered to Kentucky Petroleum on behalf of Kentucky Petroleum Limited Partnership and will expire April 22, 2016 if the D.House Well is not placed on production. Under the terms of the lease an adequate production was accumulated to keep the lease and now management expects to pay shut-in royalties in order to continue holding the lease until it is in full production.

**“Initial Closing”** means the initial closing of the sale of the Units offered hereby.

**“Initial Limited Partner”** means N.A. Energy Resources Corp., a company incorporated under the laws of British Columbia, or its successor or assigns.

**“Investment Corporation”** means N.A. Energy Resources Investment Corporation, a special purpose vehicle organized by the Manager to allow investors to the Partnership through Deferred Plans.

**“Investment Corporation Offering”** means the offering of Class C Shares of the Investment Corporation at a price of \$1.00 per Class C Share pursuant to the Investment Corporation Offering Memorandum.

**“Investment Corporation Offering Memorandum”** means the offering memorandum of the Investment Corporation dated June 28, 2017.

**“Investor”** means a person, firm, corporation or other entity who subscribes for Units by completing and submitting to the General Partner, or any duly appointed agent or sub-agent thereof, for acceptance or rejection by the General Partner, a Subscription Agreement.

**“Kentucky Petroleum”** means Kentucky Petroleum Operating Ltd., the general partner of the Kentucky Petroleum Limited Partnership a limited partnership formed under the Partnership Act, and an Affiliate of the General Partner.

**“Leigh/Hamilton Leases”** means the leases previously held by the Limited Partnership located in Young County, West Texas, which ceased to be held by the Limited Partnership on May 25, 2016.

**“Limited Partner”** means any Investor whose Subscription is accepted by the General Partner and any person, firm, corporation or other entity who acquires Units on a subsequent transfer from a Limited Partner in accordance with the terms of this Offering Memorandum.

**“Limited Partnership”** or **“Partnership”** means the Permex Petroleum Limited Partnership, a limited partnership formed under the Partnership Act.

**“Loving Estate Lease”** means the lease located in Young & Jack County, Texas and covering 980 acres, all of which are held by production, which leases are registered to the Limited Partnership.

**“Management Agreement”** means the agreement dated September 25, 2013 among the Manager and the Limited Partnership pursuant to which the Manager will provide certain administrative services to the Limited Partnership.

**“Manager”** means N.A. Energy Resources Corp., a company incorporated under the laws of British Columbia, or its successor or assigns.

**“McAdams Lease”** means the lease located in Callahan County, West Texas and covering 460 acres, 160 of which are held by production, which lease was sold by the Limited Partnership on April 13, 2016.

**“McMurtry Lease”** means the lease located in Young County, Texas and covering 530 acres, all of which are held by production, which lease is registered to the Limited Partnership.

**“Mineral Interest”** means an ownership interest granting the owner the right to exploit, mine or produce all minerals (including all hydrocarbons) lying beneath the surface of a property. Mineral interests include:

- (a) the right to use as much of the surface as is reasonably necessary to access the minerals;
- (b) the right to execute any conveyances of mineral rights;
- (c) the right to receive bonus consideration;
- (d) the right to receive delay rentals; and
- (e) the right to receive royalties.

Any or all of the above five (5) rights of mineral ownership may be conveyed by the mineral owner.

**“NCI”** means the non-certificated inventory system of CDS.

**“Net Income” or “Net Loss”** means, for accounting purposes, the net income or net loss of the Limited Partnership for a Fiscal Year as determined in accordance with international financial reporting standards applied on a consistent basis to the extent possible and, for income tax purposes, means the net income or net loss of the Limited Partnership determined under all applicable income tax statutes and regulations after applying the following principles, subject to a determination by the General Partner that such an application generally would not be in the best interest of the Limited Partners:

- (a) deductions in arriving at income or loss will be taken at the earliest time and to the maximum extent permitted by applicable income tax statutes and regulations; and
- (b) the recognition of income will be deferred to the maximum extent permitted by applicable income tax statutes and regulations.

**“Net Proceeds from Refinancing”** means all receipts of the Limited Partnership arising from a Refinancing of the Oil and Gas Properties, after deducting amounts paid to discharge or pay down other encumbrances of the Oil and Gas Properties, if any, and all other amounts required to be paid out of such receipts, and after the payment of all costs and expenses associated with Refinancing the Oil and Gas Properties.

**“Net Proceeds from Sale”** means all receipts of the Limited Partnership arising from a Sale, including any principal and interest payments received on any vendor financing taken back on such Sale, less the costs and expenses of the Sale and amounts required to discharge any encumbrances registered against the Oil and Gas Properties.

**“NI 45-106”** means National Instrument 45-106 *Prospectus Exemptions*.

**“Offering”** means the offering of up to 20,000 Units pursuant to this Offering Memorandum.

**“Oil and Gas Properties”** means any oil and gas lease or claim located in North America, including a Working Interest, a Mineral Interest, a Royalty Interest or an Overriding Royalty Interest in any such oil and gas lease or claim.

**“Ordinary Resolution”** means a resolution approved by more than 50% of the votes cast by those Limited Partners who vote and who are entitled to vote in person or by proxy at a duly convened meeting of Limited Partners, or at any adjournment thereof, called in accordance with the Partnership Agreement, or a written resolution in one or more counterparts distributed to all Limited Partners and signed by Limited Partners holding in the aggregate more than 50% of the aggregate number of votes held by those Limited Partners who are entitled to vote on such resolution.

**“Overriding Royalty Interest”** means an ownership in a percentage of production or production revenues derived from an Oil and Gas Property, free of the cost of production, created by the lessee, company and/or Working Interest owner and paid by the lessee, company and/or Working Interest owner out of revenue from an oil and gas well.

**“Partnership Act”** means the *Partnership Act* (British Columbia), R.S.B.C. 1996, c. 348, including any future amendments thereto.

**“Partnership Agreement”** means the Amended and Restated Limited Partnership Agreement dated November 1, 2016 attached to this Offering Memorandum as Schedule “A” and incorporated into this Offering Memorandum by this reference.

**“Payments”** means the distribution of Available Cash Flow and the allocation of Net Income.

**“Peavy Lease”** means the lease located in Young County, Texas and covering 160 acres, all of which are held by production, which lease is registered to the Limited Partnership.

**"Pittcock Lease"** means the lease located in Stonewall County, Texas and covering 320 acres, all of which are held by production, which lease is registered to the Limited Partnership.

**"Pittcock South Lease"** means the leases located in Stonewall County, Texas and covering 498 acres, all of which are held by production. Permex Petroleum Limited Partnership acquired the (Geneview field) consisting of 498 acres which are held by production from Legacy Minerals on February 14, 2017.

**"Preferred Return"** means, in respect of a Unit, an amount equal to an 8% annual, cumulative, non-compounded return on the Subscription Price paid to the Limited Partnership for such Unit.

**"Preferred Return Period"** means, in respect of a Unit, the period commencing on the Date of Issue of such Unit and ending on the earlier of:

- (a) the seventh (7th) anniversary of the Date of Issue; and
- (b) the date on which Payments in respect of such Unit are, in the aggregate, equal to a 100% return on the Subscription Price paid for such Unit.

**"Prime Rate"** means the rate of interest declared by the Royal Bank of Canada from time to time at its main branch in Vancouver, British Columbia, as the rate of interest charged to its best commercial customers for unsecured short term loans in Canadian funds, which rate is commonly referred to as the "prime rate".

**"Proportionate Share"** means for each Unit that fraction which has one (1) as its numerator and that has an amount equal to the total number of issued Units of the same type as the Unit in question as its denominator, and for a Limited Partner means that fraction which has the number of Units held by the Limited Partner as its numerator and an amount equal to the total number of issued Units as its denominator.

**"Refinancing"** means any renewal, extension, increase or refinancing of all or any part of any long-term or development financing permitted in respect of the Oil and Gas Properties but excluding any ordinary course borrowings for operating purposes.

**"Register"** means the records of the Limited Partnership in which are recorded the names and addresses of the Limited Partners, the particulars of the registration of Units held by each Limited Partner and particulars of transfers of Units, and such other records as are required by applicable law.

**"Registrar and Transfer Agent"** means the General Partner, or such other person who may be appointed from time to time by the General Partner to act as the registrar and transfer agent for the Limited Partnership.

**"Rhodes Trust Lease"** means the lease located in Young & Throckmorton County, Texas and covering 320 acres, all of which are held by production, which lease is registered to the Limited Partnership.

**"Royalty Interest"** means ownership of a percentage of production or production revenues, produced from an oil and gas lease or claim. The owner of this share of production does not bear any of the cost of exploration, drilling, producing, operating, marketing or any other expense associated with drilling and producing an oil and gas well.

**"Sale"** means the sale by the Limited Partnership of all or part of its interest in an Oil and Gas Property, the receipt by the Limited Partnership of compensation for the expropriation of, condemnation of or injurious affection to any Oil and Gas Property or any part thereof or interest therein or the recovery by the Limited Partnership of damage awards or insurance proceeds (other than business or rental interruption insurance proceeds) in respect thereof.

**“Salley Nash Lease”** means the lease located in Jack County, Texas and covering 80 acres, all of which are held by payment of shut-in royalties, which lease is registered to the Limited Partnership.

**“Secured Debenture”** means the debenture in the principal amount of CDN\$250,000 having a maturity date of November 4, 2017 and bearing interest at 8% per annum, issued to a private investor pursuant to the Secured Debenture Purchase Agreement.

**“Secured Debenture Purchase Agreement”** means the agreement dated May 1, 2015 and amended on May 2, 2017 between the General Partner on behalf of the Partnership and a private investor providing for a loan to the Limited Partnership in the original principal amount of \$500,000 and issue of the Secured Debenture.

**“Selling Agent”** means the person, entity or firm retained by the Limited Partnership to promote the sale of Units by way of private placement or otherwise.

**“Special Resolution”** means a resolution approved by not less than 75% of the votes cast by those Limited Partners who vote and who are entitled to vote in person or by proxy at a duly convened meeting of Limited Partners, or at any adjournment thereof called in accordance with the terms of the Partnership Agreement, or a written resolution in one or more counterparts distributed to all Limited Partners and signed by the Limited Partners holding in the aggregate not less than 75% of the aggregate number of votes held by those Limited Partners who are entitled to vote on such resolution.

**“Subscription”** means a subscription for Units made by an Investor pursuant to a Subscription Agreement.

**“Subscription Agreement”** means the subscription form, power of attorney and risk acknowledgement documents substantially in the form attached to this Offering Memorandum as Schedule “B”.

**“Subscription Price”** means \$1,000 per Unit.

**“Tax Act”** means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1, as amended, together with all regulations made pursuant thereto.

**“Unit”** means the interest of a Limited Partner in the Limited Partnership consisting of a right to participate in the income and losses of the Limited Partnership, after payment to the General Partner of its entitlement, to participate in the distribution of the net assets of the Limited Partnership upon a liquidation or winding up of the Limited Partnership, after the repayment to the General Partner and the Limited Partners of their respective capital accounts, and such other rights as are prescribed under the Partnership Agreement.

**“Unit Certificates”** means, collectively, the forms of certificates which may be issued by the Limited Partnership evidencing the number of Units owned by a Limited Partner.

**“Windy Jones Lease”** means the lease located in Stonewall County, covering forty acres, of which shut-in royalties have been paid in order to keep the lease active.

**“Working Interest”** means a percentage of ownership in an Oil and Gas Property granting its owner the right to explore, drill and produce oil and gas therefrom.

## CONVENTIONS

Unless otherwise indicated, references herein to "\$" or "dollars" are to Canadian dollars. All financial information herein has been presented in Canadian dollars in accordance with international financial reporting standards in Canada.

## ABBREVIATIONS

bbl	barrel
bbl/d	barrels per day
Bcf	billion cubic feet
boe	barrel of oil equivalent of natural gas and crude oil on the basis of 1 BOE for 12 (unless otherwise stated) Mcf of natural gas or crude oil (this conversion factor is an industry accepted norm and is not based on either energy content or current prices)
Mbbbls	thousand barrels
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
MMcf	million cubic feet

## CONVERSION

The following table sets forth certain standard conversions from Standard Imperial Units to the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	Cubic metres	28.32
Cubic metres	Cubic feet	35.314
bbls oil	Cubic metres	0.119
Cubic metres	Bbls oil	6.290
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471

# PERMEX PETROLEUM LIMITED PARTNERSHIP

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## FORWARD LOOKING STATEMENTS

This Offering Memorandum includes forward-looking statements within the meaning of that phrase under applicable Canadian securities laws with respect to the Limited Partnership and the General Partner, including the General Partner's views or predictions about possible future events or conditions, results of business operations and strategy, prospective results of operation, financial performance and condition of the Limited Partnership. These statements may be written or graphically presented and generally can be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "forecast", "should" or "continue", or the negative thereof, or similar variations. Forward-looking statements reflect management's current views with respect to possible future events and conditions and, by their nature, are based on management's beliefs and assumptions and subject to known and unknown risks and uncertainties, both general and specific to the Limited Partnership. Actual events, conditions and results could differ materially from those expressed or implied by the forward-looking statements. Although the General Partner believes that the expectations reflected in such forward-looking statements are reasonable and represent the General Partner's internal projections, expectations and belief at this time, there can be no assurance whatsoever that those expectations will prove to be correct or as anticipated.

In particular, this Offering Memorandum contains forward-looking statements including, but not limited to those relating to, among other things: (i) the General Partner's view regarding the oil and gas market, in particular, the expectations regarding revenue, prices and trends; (ii) the availability of Oil and Gas Properties for purchase that are consistent with the Limited Partnership's investment objectives and criteria; (iii) the intention or the ability of the Limited Partnership to identify and complete the acquisition of Oil and Gas Properties; (iv) the estimated portion of the proceeds of this Offering which will be invested in the Oil and Gas Properties, acquired or identified for acquisition, and any indications as to the expected future performance of the Limited Partnership, including the potential net operating income of such Oil and Gas Properties; (v) the revenue expectations regarding income producing Oil and Gas Properties that the Limited Partnership has invested or may invest in; (vi) the prospects for development of certain Oil and Gas Properties the Limited Partnership has invested or may invest in; and (vii) the prospects for the future sale, lease or refinancing of the Oil and Gas Properties.

Such forward-looking statements are based on a number of assumptions which may prove to be incorrect. In addition to any other assumptions identified in this Offering Memorandum, assumptions have been made regarding, among other things: (i) the ability of the Limited Partnership to successfully acquire Oil and Gas Properties; (ii) the ability of the Limited Partnership to obtain equipment, services and supplies in a timely manner to carry out its activities; (iii) the ability of the Limited Partnership to successfully market oil and natural gas to customers; (iv) the timing and costs of pipeline and storage facility construction and expansion and the ability to secure adequate product transportation; (v) the timely receipt of required regulatory approvals; (vi) the ability of the Limited Partnership to raise sufficient proceeds in the Offering to pursue its stated objectives or to obtain alternative financing on terms acceptable to the General Partner, or at all; (vii) currency, exchange and interest rates; and (viii) future oil and natural gas prices.

The forward-looking statements contained in this document are given as of the date hereof and should not be relied upon as representing the General Partner's views as of any date subsequent to the date of this Offering Memorandum. Except as otherwise required by law, the General Partner and the Limited Partnership do not intend to and assume no obligation to update or revise these or any other forward-looking statements they may provide, whether as a result of new information, plans or events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements as there can be no assurance that the conditions, events, plans and assumptions on which they are based will occur. Readers should perform their own detailed, independent investigation and analysis of the General Partner and the Partnership before making any investment decision and are encouraged to seek independent professional advice. All of the futures looking statements in this document are expressly qualified by the above.

Important factors that could cause actual results to differ materially from the General Partner's expectations include, among other things, (i) the actual amount of funds raised in the Offering; (ii) the availability of suitable Oil and Gas Properties for purchase by the Limited Partnership; (iii) the availability of third party debt financing for such properties; (iv) the risks of the oil and gas industry, both domestically and internationally, such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand; (v) the risks and uncertainties involving geology of oil and natural gas deposits; (vi) the risks inherent in the Limited Partnership's marketing operations, including credit risk; (vii) the uncertainty of reserves estimates and reserves life; (viii) the uncertainty of estimates and projections relating to production, costs and expenses; (ix) potential delays or changes in plans with respect to production or development projects or capital expenditures; (x) the Limited Partnership's ability to enter into or renew leases; (xi) fluctuations in oil and natural gas prices, foreign currency exchange rates and interest rates; (xii) health, safety and environmental risks; (xiii) the ability of Limited Partnership to add production and reserves through development activities; (xiv) general economic and market factors, including commodity rates, interest rates, business competition, changes in government regulations or in tax laws; and (xv), those factors discussed or referenced in the "Risk Factors" section. Refer to Item 8 – "Risk Factors".

Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing list of factors should not be construed as exhaustive. The forward-looking statements contained in this Offering Memorandum are expressly qualified by this cautionary statement. Except as required by law, neither the Limited Partnership nor the General Partner undertakes any obligation to publicly update or revise any forward-looking statements.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents are incorporated by reference as part of this Offering Memorandum:

- (a) the appraisal of the Pittcock Lease, located in Stonewall County Texas, as of December 31, 2016;
- (b) the appraisal of the South (Legacy) Pittcock Lease, located in Stonewall County Texas, as of December 31, 2016;
- (c) the appraisal of the McMurtry Lease and Loving Estate Lease, located in Young and Jack Counties Texas, as of December 31, 2016;
- (d) the appraisal of the Peavy Lease, located in Young County Texas, as of December 31, 2016;
- (e) the marketing materials related to this Offering current as at the date of this Offering Memorandum, delivered or made reasonably available to a prospective purchaser; and
- (f) the marketing materials related to this Offering which may be prepared after the date of this Offering Memorandum and delivered or made reasonably available to a prospective purchaser prior to the termination of this Offering.

## INTRODUCTION

This continuous offering (the “**Offering**”) by the Limited Partnership consists of a maximum of twenty thousand (20,000) Units. The Limited Partnership is a limited partnership formed under the laws of the Province of British Columbia. Permex Petroleum Operating Ltd., a British Columbia corporation, serves as the General Partner of the Limited Partnership. The business of the Limited Partnership is to directly or indirectly acquire, hold, manage, operate and sell Oil and Gas Properties, or any direct or indirect interests therein, conducting other business which is ancillary or incidental thereto, and deriving income therefrom with a view to making a profit. The Limited Partnership will not carry on any other business. The Limited Partnership has the power to do any and every act and thing necessary, proper, convenient or incidental to the accomplishment of its business and purposes including, without limitation, owning or disposing of partnership interests, shares or other securities whereby the Limited Partnership holds an indirect interest in any Oil and Gas Properties.

More specifically, the Limited Partnership seeks to acquire, enhance and, if warranted, develop Working Interests in producing crude oil and natural gas properties and developmental drilling locations in existing wells with proved reserves that need to be refurbished or re-drilled in order to be returned to production. The Oil and Gas Properties will be located exclusively in North America.

During the first half of 2015, the General Partner, on behalf of the Limited Partnership, acquired Working Interests in two (2) properties in West Texas on a leasehold basis. The McAdams Lease, located in Callahan County, was acquired on April 21, 2015 for USD\$43,000.00. The McAdams Lease was sold on April 13, 2016 for USD\$ 50,000. On May 10, 2015, the Limited Partnership acquired the Leigh/Hamilton Leases, located in Young County, for USD\$211,000.00. After nine months of analysis including four (4) re-entries and recompletions on the Leigh Anne & Hamilton wells, management was not successful on bringing the wells into production and believe these formations and wells are fully depleted. The Leigh/Hamilton Leases were assigned to Amen Oil Corp on May 25, 2016 to avoid liability from non-producing wells and Plugging & Abandonment liability (“P&A”).

During the second half of 2015, the General Partner, on behalf of the Limited Partnership, acquired Working Interests in seven (7) properties in West and North-Central Texas. The Pittcock Lease, located in Stonewall County, was acquired on June 10, 2015 for USD\$360,000.00. The Pittcock Lease contains oil production from five (5) wells with five (5) shut-in wells, two (2) saltwater disposal wells, and one (1) water injection well for water-flood capabilities. On August 14, 2015, the Limited Partnership acquired the Peavy, Rhodes Trust and Salley Nash Leases for an aggregate of USD\$620,000.00. The Peavy Lease, located in Young County, includes fourteen (14) wells located on the property. The fourteen (14) wells include nine (9) producing wells, four (4) shut-in wells, and one (1) saltwater disposal well. The Rhodes Trust Lease, located in Young/ Throckmorton County, consists of two (2) wells; one (1), a proved non producing shut-in oil and gas well and the other a salt water disposal well. The Salley Nash Lease, located in Jack County, contains two (2) suspended gas wells. The Limited Partnership acquired the Windy Jones Lease, located in Stonewall County, on October 15, 2015 for USD\$16,500.00. The Windy Jones Lease includes one injection well, one (1) producing well and two (2) suspended oil wells.

On December 14, 2015, the Limited Partnership finalized the acquisition of the McMurtry and Loving Estate Leases for an aggregate of USD\$82,500.00. The McMurtry lease, located in Young County, contains 530 net acres and five (5) total wells. Of these five (5) wells, three (3) are actively producing and two (2) are shut-in. The Loving Estate Lease, located in Jack County, contains 980 net acres, and has two (2) currently producing wells, six (6) shut-in wells, and one (1) water disposal well.

On January 20, 2016, the General Partner decided that it would not be in the best interest of the Limited Partnership to pursue the acquisition of the Amwes Project. The Amwes Project was an oil and gas project located in Kentucky and Tennessee, which consisted of 30,000 acres of developed and undeveloped oil and gas leases as well as associated equipment, records and agreements. The pipelines within the Amwes Project generated revenue every year from two sources. The first source is Magnum Hunter Resources Corp. and the second is Chesapeake Energy Corporation. Due to the distressed natural gas prices and the overall status of the oil industry, Magnum Hunter filed for

bankruptcy in December of 2015 and Chesapeake showed potential issues in servicing the fees within the pipeline. These factors contributed to the General Partner's decision not to pursue the Amwes Project. The partnership spent \$15,000 on the Amwes project and recognized impairment. Management may still pursue the Amwes project if the conditions of the pipelines change.

Pursuant to the Farm-Out Agreement, the General Partner, on behalf of the Limited Partnership, agreed to pay the sum of USD\$50,000 to Kentucky Petroleum, in consideration for the right to drill and develop one location on the House #1 Lease known as the D.House Well. The Limited Partnership drilled the D.House Well in July 2014 to a total depth of 4,194 feet, terminating in the Knox Formation. The D.House Well is currently suspended pending gas pipeline facilities. To date, there are no reserves credited to the D.House Well, nor has there been any production. The General Partner is actively monitoring local pipelines to initiate the lowest cost way of bringing the D.House Well online by an interconnect to the existing pipelines in the region. There is no assurance the General Partner will be able to achieve an interconnect on terms acceptable to the General Partner or at all.

The Farm-Out Agreement also gives the Limited Partnership land position and the option to drill and complete up to a maximum permitted ten (10) wells on the House Lease in the Tom Cat Trail properties, for a total payment of USD\$500,000. The terms for the drilling of the additional wells are identical to the D.House Well.

During the first quarter of 2017, the General Partner, on behalf of the Limited Partnership, acquired Working Interests in the Pittcock South Lease, located in Stonewall County, for USD \$150,000. The Pittcock South Lease covers 498 acres and includes six (6) producing wells, thirteen (13) shut-in wells, and two (2) saltwater disposal wells.

This is an Offering of Limited Partnership Units and not a direct interest in any of the Oil and Gas Properties or land title. Each Investor who acquires a Unit pursuant to this Offering will be a Limited Partner of the Limited Partnership in accordance with the Partnership Agreement and this Offering Memorandum. The rights and responsibilities of the Limited Partners and the General Partner are set out in the Partnership Agreement. By entering into a Subscription Agreement, you are agreeing to be bound by the terms and conditions of the Partnership Agreement.

Throughout this Offering Memorandum, we describe the business and financial position of the Limited Partnership as well as the business and financial position of the General Partner. The audited financial statements of each of the Limited Partnership and the General Partner for the fiscal year ended December 31, 2016 are included in this Offering Memorandum under Item 12. The financial statements are described in Canadian dollars and expressed in accordance with International Financial Reporting Standards (IFRS).

## **Item 1: Use of Available Funds**

### 1.1 Available Funds

		<b>Assuming maximum offering (\$)<sup>(1)</sup></b>
A.	Amount to be raised by this Offering	20,000,000
B.	Selling commissions and fees	1,600,000 <sup>(2)</sup>
C.	Estimated Offering costs (e.g. legal, accounting, audit)	1,000,000 <sup>(3)(4)</sup>
D.	Available funds: $D = A - (B + C)$	17,400,000

E.	Additional Sources of Funding Required	0
F.	Working capital deficiency	500,000
G.	Total G = (D + E) – F	16,900,000

- (1) There is no minimum offering. The Limited Partnership will issue Units on a continuous basis.
- (2) The General Partner may engage an authorized Selling Agent(s) in any territory of Canada or the United States where a distribution of Units pursuant to this Offering Memorandum is authorized. The maximum commission or fee payable to such Selling Agent will be up to 8% of the Subscription Price. See Item 7 "Compensation Paid to Sellers and Finders".
- (3) The General Partner will receive the GP Expense Amount, equal to 5% of the gross proceeds of the Offering and use these funds to pay Fund Expenses. The balance after payment of Fund Expenses, if any, is paid by the General Partner to the Manager as the Administration Fee under the Management Agreement.
- (4) The General Partner will pay fees to each of the securities regulators in those jurisdictions in which purchasers of the Units reside in connection with the filing of an exempt distribution report.
- (5) The General partner currently has a secured debenture as liability.

## 1.2 Use of Available Funds

We plan to spend the available funds raised from the Offering as follows:

Description of intended use of available funds listed in order of priority	Assuming maximum offering (\$)
Purchase of Oil and Gas Properties	12,500,000 <sup>(1)(2)</sup>
Enhancement and Development of Oil and Gas Properties	3,450,000
Location payment in connection with the Farm-Out Agreement <sup>(3)</sup>	50,000
Acquire ten (10) locations in connection with the Farm-Out Agreement <sup>(3)</sup>	500,000
Working Capital	400,000
Total: Equal to G in the Available Funds table above	16,900,000

- (1) The expenses include acquisition and operating costs for Oil and Gas Properties, including where applicable, costs associated with leasing, drilling, producing and operating wells or units.
- (2) See Item 2.7 "Material Agreements" for a summary of the terms of any property agreements governing these Oil and Gas Properties.
- (3) The Partnership entered into the Farm-Out Agreement with Kentucky Petroleum, a related issuer of the Limited Partnership. Kentucky Petroleum is the general partner of the Kentucky Petroleum Limited Partnership (the "**Kentucky LP**"). Mehran Ehsan, a director and the President and Treasurer of the Investment Corporation, is also a director and the Chief Executive Officer and President of the General Partner and the Manager and owns 75% of the issued and outstanding common shares of Kentucky Petroleum. Barry Whelan, a director and the Chief Operating Officer of the Investment Corporation is a director and the Chief Operating Officer of both of the General Partner and the Initial Limited Partner and is also a director and the Chief Operating Officer of Kentucky Petroleum. The Manager is wholly-owned by Mehran Ehsan.

- (4) The Asset Management Fee is payable by the Limited Partnership to the Manager monthly, in arrears, pursuant to the Management Agreement. The relationship between the Limited Partnership and the Manager is disclosed in Item 3.5.

### 1.3 Reallocation

We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons. See Item 2.2 “Our Business”.

### 1.4 Working Capital Deficiency

The Partnership has a working capital deficit of \$1,014,730 as at December 31, 2016 (2015 - \$716,929). The Partnership has a working capital deficit of \$519,699 as at March 31, 2017.

## **Item 2: Business of Permex Petroleum Limited Partnership**

### 2.1 Structure

The Limited Partnership was formed in British Columbia on September 17, 2013 pursuant to a Certificate of Limited Partnership. The Limited Partnership is governed by the Partnership Agreement and is subject to the provisions of the Partnership Act. The Limited Partnership will register under applicable partnership legislation of other Provinces as and when it determines such registration is required or desirable.

The General Partner, Permex Petroleum Operating Ltd., is a company incorporated on September 17, 2012 pursuant to the *Business Corporations Act* (British Columbia). The General Partner is a wholly-owned subsidiary of N.A. Energy Resources Corp., the Manager, and has a director and officer in common with that company. The Manager is a company incorporated on July 21, 2010 pursuant to the *Business Corporations Act* (British Columbia). The Manager is wholly-owned by Mehran Ehsan, who is also a director, President and Chief Executive Officer of the Manager. In addition, Barry Whelan, a director and Chief Operating Officer of the General Partner, is also a director and Chief Operating Officer of the Manager.

### 2.2 Our Business

The General Partner has organized the Offering as a means by which individual investors will have the opportunity to pool their funds so as to allow them to invest in the same types of producing and development stage oil and gas opportunities as are available to institutional investors, pension plans and high net worth individuals. The Limited Partnership was formed solely for the purpose of investing in, acquiring, enhancing and, if warranted, developing interests in Oil and Gas Properties, including but not limited to Working Interests, Mineral Interests, Royalty Interests and Overriding Royalty Interests. The business strategy of the Limited Partnership is to create a revenue stream primarily through the acquisition of Working Interests in producing Oil and Gas Properties located in North America but the Limited Partnership may also acquire development stage Oil and Gas Properties in North America. A Working Interest is a percentage of ownership in an oil and gas lease granting its owner the right to explore, drill and produce oil and gas from a particular property. Working Interest owners are obligated to pay a corresponding percentage of the cost of leasing, drilling, producing and operating an oil and gas well. After royalties are paid, a Working Interest also entitles its owner to share in production revenues with other Working Interest owners, based on the ownership percentage of the Working Interest.

On June 25, 2014, the General Partner, on behalf of the Limited Partnership, entered into the Farm-Out Agreement with Kentucky Petroleum, pursuant to which the Limited Partnership has acquired the right to drill and develop the D.House Well, on House #1 Lease, in consideration for USD\$50,000 and a reservation of a 30% carried Working Interest.

The Farm-Out Agreement also gives the Limited Partnership land position and the option to drill and complete up to a maximum permitted ten (10) wells on the House Lease, for a total payment of USD\$500,000. The terms for the drilling of the additional wells are identical to the D.House Well.

During the first half of 2015, the General Partner, on behalf of the Limited Partnership, acquired Working Interests in two (2) properties in West Texas on a leasehold basis. The McAdams Lease, located in Callahan County, was acquired on April 21, 2015 for USD\$43,000.00. During 2016, the General Partner started multiple re-entry and recompletions on both the McAdams and LeighAnne/Hamilton leases. The results obtained from the recompletions were not positive. As such management sought to either sell or assign the plugging liability ("P&A") to another company. The McAdams was successfully sold and the Leigh Anne/Hamilton liability assigned. The McAdams Lease was sold on April 13, 2016 for USD\$ 50,000. On May 10, 2015, the Limited Partnership acquired the Leigh/Hamilton Leases, located in Young County, for USD\$211,000.00. The Leigh/Hamilton Leases were assigned to Amen Oil Corp. on May 25, 2016 to avoid liability from non-producing wells.

During the second half of 2015, the General Partner, on behalf of the Limited Partnership, acquired Working Interests in seven (7) properties in West and North-Central Texas. The Pittcock Lease, located in Stonewall County, was acquired on June 10, 2015 for USD\$360,000.00. The Pittcock Lease contains oil production from five (5) wells with five (5) shut-in wells, two (2) saltwater disposal wells, and one (1) water injection well for water-flood capabilities. On August 14, 2015, the Limited Partnership acquired the Peavy, Rhodes Trust and Salley Nash Leases for an aggregate of USD\$620,000.00. The Peavy Lease, located in Young County, includes fourteen (14) wells located on the property. The fourteen (14) wells include nine (9) producing wells, four (4) shut-in wells, and one (1) saltwater disposal well. The Rhodes Trust Lease, located in Young/ Throckmorton County, consists of two (2) wells; one (1), a proved oil-producing well and the other, a salt water disposal well. The Salley Nash Lease, located in Jack County, contains two (2) suspended gas wells. The Limited Partnership acquired the Windy Jones Lease, located in Stonewall County, on October 15, 2015 for USD\$16,500.00. The Windy Jones Lease includes one injection well, one (1) producing well and two (2) suspended oil wells.

On December 14, 2015, the Limited Partnership finalized the acquisition of the McMurtry and Loving Estate Leases for an aggregate of USD\$82,500.00. The McMurtry lease, located in Young County, contains 530 net acres and five (5) total wells. Of these five (5) wells, three (3) are actively producing and two (2) are shut-in. The Loving Estate Lease, located in Jack County, contains 980 net acres, and has two (2) currently producing wells, six (6) shut-in wells, and one (1) water disposal well.

During the first quarter of 2017, the General Partner, on behalf of the Limited Partnership, acquired Working Interests in the Pittcock South Lease, located in Stonewall County, for USD \$150,000. The Pittcock South Lease covers 498 acres and includes six (6) producing wells, thirteen (13) shut-in wells, and two (2) saltwater disposal wells.

The General Partner may ultimately determine that these properties are not consistent with the Limited Partnership's objectives and may instead pursue other Oil and Gas Properties. In identifying potential investment opportunities, the General Partner will pursue the business objectives and apply the investment strategies set forth below. The selection of Oil and Gas Properties for acquisition and development will depend on multiple factors, including the proceeds raised from this Offering, prevailing market prices for Oil and Gas Properties, and the availability of suitable Oil and Gas Properties.

The Limited Partnership has secured relationships with seasoned field personnel to source oil and gas opportunities with a key front end due diligence program in place.

#### Secured Debenture Purchase Agreement

Effective May 1, 2015, the Limited Partnership issued the Secured Debenture to a private investor pursuant to the Secured Debenture Purchase Agreement. Under the terms of the Secured Debenture Purchase Agreement, the Limited Partnership has borrowed \$500,000 at an interest rate of 8%

compounded annually. The Limited Partnership intends to use the proceeds of the loan to acquire one (1) or more Oil and Gas Properties.

The full amount of the loan, together with accrued interest, is repayable on May 1, 2017. However, the lender may demand earlier payment (a) on or after May 1, 2016 on not less than 30 days' notice to the General Partner; or (b) upon an "event of default". An event of default under the Secured Debenture includes: (i) failure of the Limited Partnership to pay principal or interest on the Secured Debenture when due and payable; (ii) breach by the Limited Partnership of a material covenant, agreement, representation, or warranty under the Secured Debenture Purchase Agreement; and (iii) bankruptcy, termination, dissolution, or liquidation of the Limited Partnership.

The Secured Debenture Purchase Agreement grants the private investor a security interest in The Pittcock Lease, otherwise known as the Gloria Gay West Field # 35436820 Lease. The Secured Debenture Purchase Agreement also entitles the private investor to an annual fee equal to 3% of the production revenue from this property indefinitely during the period in which the Limited Partnership holds an interest in such Oil and Gas Properties, such fee to be paid in monthly installments. The Secured Debenture Purchase Agreement also obligates the Limited Partnership to pay the private investor a coupon fee of \$40,000 on May 1, 2016 and an additional \$40,000 on May 1, 2017, provided the loan has not been fully repaid by those dates. The Limited Partnership has received an extension on the \$40,000 coupon fee to June 30, 2016; this payment is due either before or at June 30, 2016.

On May 2, 2017 the General Partner on behalf of the Limited Partnership entered into an amendment to the Secured Debenture Purchase Agreement to extend the maturity date to November 1, 2017. Under the terms of the amendment, management paid \$250,000 against the principal and \$80,000 in interest.

On June 19, 2017, under the terms of the amendment, management paid the remaining principle balance owed of \$250,000 with an additional accrued interest payment of \$7,338.60. As of the date of this Offering Memorandum the secured debenture has been fully paid back to the lender and is no longer outstanding.

#### The Farm-Out Agreement

On June 25, 2014, the General Partner, on behalf of the Limited Partnership, entered into the Farm-Out Agreement with Kentucky Petroleum, pursuant to which the Limited Partnership has acquired the right to drill and develop one (1) well, the D.House Well, on House #1 Lease in consideration for USD\$50,000 and a reservation of a 30% carried working interest.

Under the terms of the Farm-Out Agreement, the General Partner on behalf of the Limited Partnership, will have access and rights of transportation to Kentucky Petroleum's gathering lines for the sale of its gas without payment of gathering fees across Kentucky Petroleum's gathering system. The General Partner will reserve to Kentucky Petroleum, an amount equal to a 30% carried working interest in the production of all forms of hydrocarbons for the life time of the well and the existing leasehold burdens affecting the assigned leases as of June 25, 2014.

The Farm-Out Agreement also gives the Limited Partnership land position and the option to drill and complete up to a maximum permitted ten (10) wells on the House Lease, for a total payment of USD\$500,000. The terms for the drilling of the additional wells are identical to the D.House Well.

In July 2014, the Limited Partnership drilled the D.House Well to a total depth of 4,194 feet, terminating in the Knox Formation. The D.House Well is currently suspended pending gas pipeline facilities. To date there are no reserves credited to the D.House Well nor has there been any production. The General Partner is actively monitoring local pipelines to initiate the lowest cost way of bringing the well online by an interconnect to the existing pipelines in the region. There is no assurance the General Partner will be able to achieve an interconnect on terms acceptable to the General Partner or at all. As of the date of this Offering Memorandum, management has made payments for the 10 land positions and can start drilling on locations as it pertains to its drilling and development program.



Kentucky Petroleum is the General Partner of the Kentucky LP. Mehran Ehsan, a director and the President and Treasurer of the Investment Corporation, is also a director and the Chief Executive Officer and President of the General Partner and the Manager and is a director and the President and Chief Executive of Kentucky Petroleum and owns 75% of the issued and outstanding common shares of Kentucky Petroleum. Barry Whelan, a director and the Chief Operating Officer of the Investment Corporation is a director and the Chief Operating Officer of both of the General Partner and Manager and is also a director and the Chief Operating Officer of Kentucky Petroleum. The Manager is wholly-owned by Mehran Ehsan.

***Production history for the following assets were derived from available data through Regulatory bodies such as the Railroad Commission of Texas and independent sources such as IHS.***

#### The Pittcock Lease

The Limited Partnership acquired the Pittcock Lease on June 10, 2015 for \$360,000USD. The Pittcock Lease covers 320 acres of land, more or less, being the N/2 (northern half) of Survey 69, Block D, H&TC Ry. Co. Survey, Stonewall County, Texas. Survey 69, Block D, H&TC Ry. Co. Survey, Stonewall County, Texas being described as follows; Beginning at the Southwest Corner of Survey 40, the Northwest Corner of Survey 41 and the Northeast Corner of 68, Block D, a point; Thence North 87 degrees 59' West with the North Line of Survey 68, 1953.2 varas to a st. md. on North side of a ravine on side of slope, at the Northwest Corner of Survey 86, whence a clump of small cedars bears South 41 West 6.4 varas; Thence North 1 degree 46' East at 113 varas a ravine at 1093 varas a ravine at 1903.2 varas to a st. md. whence two mesquites 5" bears north 64 1/2 West 17.8 varas, a forked mesquite 6" bears South 57 West 56 1/2 varas; Thence South 87 degrees 52 1/2' East at 180 varas top of hill. 1952.3 varas to a large gyp stone (marked NW 40 and st. md. at Northwest corner Survey 40, and Southwest Corner Survey 39 and Block D. Whence a mesquite 2" bears North 2 West 8.1 varas, 2 mesquites 3" and 4" bear South 74 1/2 East 75.9 varas, 2 mesquites 4" and 6" bear South 66 1/2 East 93.8 varas old st. md. bears South 68 1/2 East 43.3 varas;

Thence South 1 degree 45' West 1900 varas to beginning, containing 657.8 acres of land, more or less.

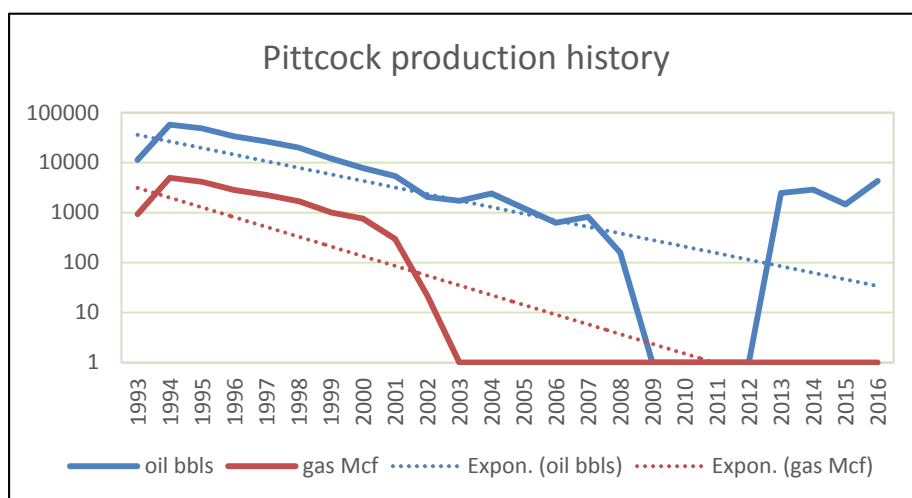
Well Name	API Numbers	Lease Name
Pittcock Well #1	433-31019	Pittcock
Pittcock Well #2	433-31077	Pittcock
Pittcock Well #3	433-31092	Pittcock
Pittcock Well #4	433-31105	Pittcock
Pittcock Well #5	433-31111	Pittcock
Pittcock Well #6	433-31154	Pittcock
Pittcock Well #7	433-31155	Pittcock
Pittcock Well #8	433-31199	Pittcock
Pittcock Well #9	433-31266	Pittcock
Pittcock Well #10	433-31467	Pittcock
Pittcock Well #11	433-31575	Pittcock
Pittcock Well #12	433-31573	Pittcock
Pittcock Well #13	433-32857	Pittcock
Pittcock Well #14	433-34011	Pittcock

The Pittcock Lease, otherwise known as the Gloria Gay West Field # 35436820, was drilled in 1982 and has had a cumulative production of 450,000 bbls of oil and 18,972 Mcf of gas as of January 1993 to December 2015 from the Tannehill Formation. The Pittcock Lease contains oil production from five (5) wells with five (5) shut-in wells, two (2) saltwater disposal wells, and one (1) water injection well for water-flood capabilities. The Limited Partnership initiated a waterflood of this property as of February 1, 2016 in order to utilize an increased production potential through Enhanced Oil Recovery Technique. This has provided successful results, and production has increased by approximately 160%. Current production from this lease is 30bbl/d and is expected to increase as the waterflood injection rates increase. The

Limited Partnership will also evaluate the re-entry into the 3 (3) shut in wells on the Pittcock Lease. The Limited Partnership has acquired a 100% Working Interest and an 82.5% net revenue interest in the property.

**The appraisal of the Pittcock Lease, as of December 31, 2016, incorporated by reference as part of this Offering Memorandum, estimates the net reserves at 398,050 Bbl of which 323,940 Bbl represent Total Proved reserves.**

Year	Oil/Bbls Year	Gas/Mcf Year
1993	11340	934
1994	57407	4977
1995	48757	4145
1996	33577	2853
1997	26597	2259
1998	20132	1702
1999	12178	1012
2000	7818	757
2001	5401	298
2002	2052	22
2003	1726	1
2004	2412	1
2005	1228	1
2006	628	1
2007	824	1
2008	159	1
2009	1	1
2010	1	1
2011	1	1
2012	1	1
2013	2472	1
2014	2886	1
2015	1462	1
2016	4290	1
	243350	18973



#### The Peavy, Rhodes Trust & Salley Nash Leases

On August 14, 2015, the Limited Partnership acquired the Peavy, Rhodes Trust and Salley Nash Leases for an aggregate of USD\$620,000.00.

**Peavy: 160.0 acres** of land, more or less, being the South Half (S/2) of the T.E.&L. Co. Survey No. 1103, Abstract No. 1237, Young County, Texas being the same lands described in that certain Assignment of

Oil and Gas Lease dated June 11, 1984 from T & I Petroleum Company Inc. to Charles G. Ribble, et al recorded in Volume 642 Page 671, Deed Records, Young County, Texas.

**Rhodes Trust: 320.0 acres** of land, more or less, being all of the T.E.&L. Co. Survey No. 2372, 214.0 acres of which is in Abstract No. 1089, Young County, Texas and 106.0 acres of which is in Abstract No. 720, Throckmorton County, Texas.

**Salley Nash: 80.0 acres** of land, more or less, being that part of the T. Nash Survey, Abstract No. 2021, Jack County, Texas allocated to the Salley Nash #2 well being API # 237-31347 and the Salley Nash #3 well being API # 237-31567.

Well Name	API Numbers	Well Number
Peavy, S. H.	503-38075	1
Peavy, S. H.	503-38258	3
Peavy, S. H.	503-38434	5
Peavy, S. H.	503-38612	7B
Peavy, S. H. "E"	503-38685	8A
Peavy, S. H. "D"	503-38688	10
Peavy, S. H. "AA"	503-38889	12
Peavy, S. H. "BB"	503-39340	14
Peavy, S. H. "CC"	503-38952	15
Peavy, S. H.	503-39203	16
Peavy, S. H. "F"	503-39131	17
Peavy, S. H. "DD"	503-39252	18
Peavy #19	503-39467	19
Peavy, S. H. #20	503-39350	20 (3B)
Peavy, S. H.	503-39612	21
Rhodes Trust	503-30780	2
Rhodes Trust	503-41937	3X
Sallie Nash	237-31347	2
Sallie Nash	237-31567	3

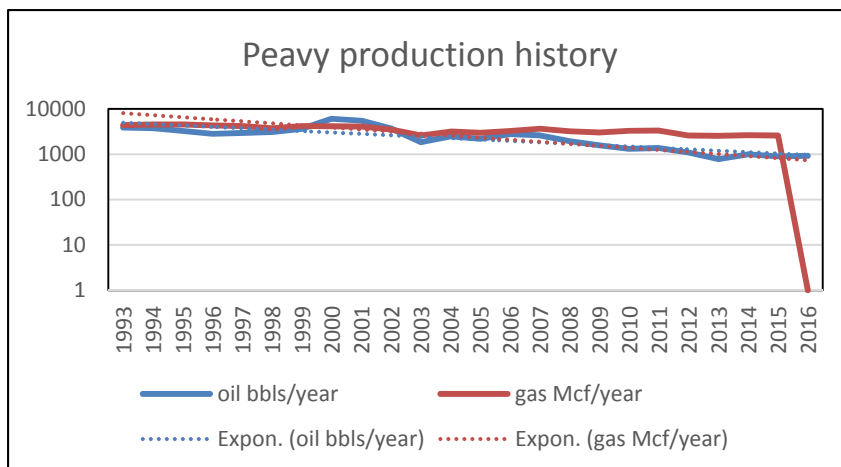
The Peavy Lease, otherwise known as Field # 59009600, was drilled in 1988 and has had a cumulative production of 60,415 bbls of oil and 414,797 Mcf of gas as of January 1993 to December 2015 from the McCluskey Sand Formation. Currently, the Peavy Lease has nine (8) producing wells that average 15 bbl/d. The Peavy Lease also has four (4) shut-in wells, one (1) P&A well and one (1) saltwater disposal well. The Limited Partnership has acquired a 100% Working Interest and an 82.5% Net Revenue Interest in the Peavy Lease.

**The appraisal of the Peavy Lease, as of December 31, 2016, incorporated by reference as part of this Offering Memorandum, estimates the net reserves at 160,750 Bbl of which 92,270 represent Total Proved reserves.**

The Rhodes Trust Lease is located in Young/Throckmorton County and consists of 320 acres and one (1) oil well and one (1) saltwater injection well. The Limited Partnership has acquired a 100% Working Interest and a 78% Net Revenue Interest in the Rhodes Trust Lease. It is currently not producing.

The Salley Nash Lease is located in Jack County and consists 80 acres and includes two (2) shut-in oil and gas wells. The Limited Partnership has acquired a 100% Working Interest and an 80% Net Revenue Interest in the Salley Nash Lease.

Year	Oil/Bbls Year	Gas/Mcf Year
1993	3858	4384
1994	3755	4510
1995	3271	4517
1996	2828	4299
1997	2944	4158
1998	3081	3740
1999	3626	4187
2000	6026	4118
2001	5500	4076
2002	3685	3502
2003	1842	2597
2004	2478	3156
2005	2189	2966
2006	2778	3274
2007	2594	3647
2008	1940	3206
2009	1570	3019
2010	1311	3276
2011	1373	3303
2012	1093	2577
2013	783	2532
2014	996	2619
2015	894	2588
2016	920	12950
	18644	93201



### The Windy Jones Lease

The Limited Partnership acquired Windy Jones Lease, located in Stonewall County, on October 15, 2015 for USD\$16,500.00. The Windy Jones Lease consists of forty acres and includes one (1) injection well, one (1) producing well and two (2) suspended oil wells. As of February 1, 2016 the Limited Partnership has been using the Windy Jones #4 well as an injection well for our Waterflood on the Pittcock Lease. In March, 2016 the Pittcock Lease generated successful results by showing an increase in the reservoir pressure. In April, 2016 the waterflood began to show signs of improved oil recovery from the Pittcock Lease, as of June 28, 2017 the waterflood through the Windy Jones lease has increased the production of the Pittcock Lease by more than double since initial injection. This includes down time which occurred numerous times during 2016 calendar year.

Well Name	API Number	Well Number
Windy Jones	433-31534	1
Windy Jones	433-31376	2
Windy Jones	433-31325	2 Dry Hole
Windy Jones	433-81014	3
Windy Jones	433-33244	4

### The McMurtry Lease and The Loving Estate Lease

The Limited Partnership acquired the McMurtry Lease and the Loving Estate Leases on December 14, 2015 for an aggregate of USD\$82,500.00. The McMurtry Lease, located in Young County, contains 530 net acres and five (5) total wells of which, three (3) are actively producing and two (2) are shut-in. The Loving Estate Lease is located in Jack County and contains 980 net acres and has a total of nine (9) wells of which, two (2) are currently producing, six (6) are shut-in, and one (1) is a water disposal well. Current production of the McMurtry Lease and Loving Estate Lease is approximately 6 bbl/d. In 2016 management shifted focus towards enhancements of its Stonewall County assets. As such, the Pittcock, as such a few wells on the McMurtry & Loving were shut in on a temporary basis.

**The appraisal of the McMurtry and Loving Estate Lease, as of December 31, 2016, incorporated by reference as part of this Offering Memorandum, estimates the net reserves at 754,330 Bbl.**

That part of the herein below described 530.0 acres of land, more or less, associated with the following wells:

C. A. McMurtry; RRC District 9; Well #1: API 50333683; Well #2L & 2U: API 50333945; Well #3: API 50334039; Well #4: API 50334304; Well #5: API 23733494;

a part of the Texas Emigration and Land Company Survey, A-2065, Young County, Texas and Texas Emigration and Land Company Survey, A-2067, Young County, Texas and Texas Emigration and Land Company Survey, A-2068, Young County, Texas and Texas Emigration and Land Company Survey, A-774, Jack County, Texas;

530.0 acres of land, more or less, being the same lands described in that certain Oil Gas and Mineral Lease dated March 6, 1975 from Cora A. McMurtry, et al to M. L. Manoushagian, recorded in Volume 496, Page 37, Deed Records, Young County, Texas.

And That part of the herein below described 980.0 acres of land, more or less, associated with the following wells:

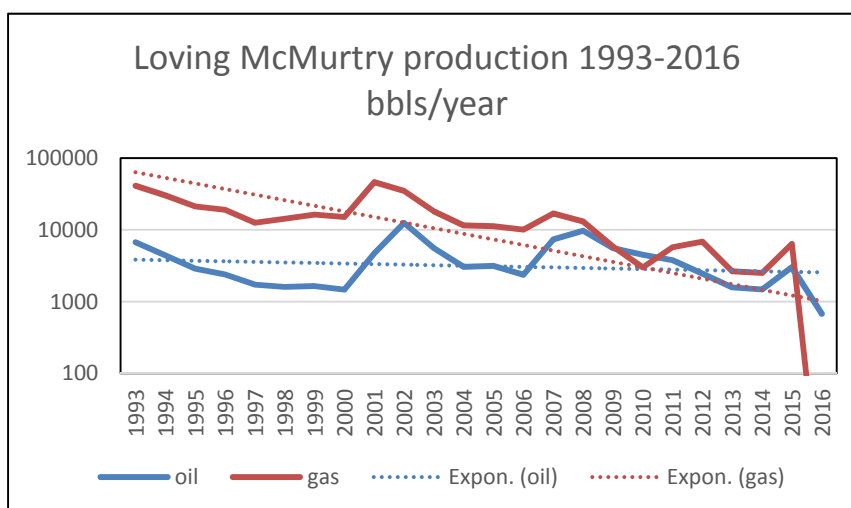
LOVING, J. W. ESTATE; RRC District 9; Well #1: API 23733029; Well #3: API 23733314; Well #5: API 23733380; Well #6: API 23733454; Well #7U&L: API 23783393; Well #8: API 23733566; Well #9: API 23733540; Well #12: API 23736911

a part of the: Wm Biffle Survey, A-2142, Jack County, Texas, A. McCulloch Survey, A-379, Jack County, Texas, Texas Emigration and Land Company Survey, A-717, Jack County, Texas and Texas Emigration and Land Company Survey, A-718, Jack County, Texas;

980.0 acres of land, more or less, being a part of the same lands described in that certain Oil Gas and Mineral Lease dated February 26, 1975 from Mary L. Blair, E. S. Graham, Jr., O. L. Graham and Fort Worth National Bank Executor for the Estate of J. W. Loving, deceased to M. L. Manoushagian, recorded in Volume 350, Page 700, Deed Records, Jack County, Texas.

Well Name	API Numbers	Well Number
McMurtry C A	503-33945	2L & 2U
McMurtry C A	503-34039	3
McMurtry C A	503-34304	4
McMurtry C A	237-33494	5
McMurtry C A Oil Unit A	503-33683	1
Loving J W Estate	237-33029	1
Loving J W Estate	237-33454	6
Loving J W Estate	237-83393	7
Loving J W Estate	237-33566	8
Loving J W Estate	237-33314	3
Loving J W Estate	237-33540	9
Loving J W Estate	237-36911	12
Loving J W Estate	237-33380	5
Loving J W Estate	237-33353	4

Year	Oil/Bbls Year	Gas/Mcf Year
<b>1993</b>	6709	41132
<b>1994</b>	4397	30188
<b>1995</b>	2877	21176
<b>1996</b>	2385	18999
<b>1997</b>	1722	12573
<b>1998</b>	1597	14271
<b>1999</b>	1646	16350
<b>2000</b>	1467	15111
<b>2001</b>	4698	46207
<b>2002</b>	12490	34802
<b>2003</b>	5540	18073
<b>2004</b>	3034	11501
<b>2005</b>	3136	11216
<b>2006</b>	2364	10083
<b>2007</b>	7351	16872
<b>2008</b>	9689	13102
<b>2009</b>	5555	5835
<b>2010</b>	4502	3001
<b>2011</b>	3770	5718
<b>2012</b>	2446	6862
<b>2013</b>	1579	2633
<b>2014</b>	1478	2498
<b>2015</b>	3033	6368
<b>2016</b>	675	1
	94140	364572



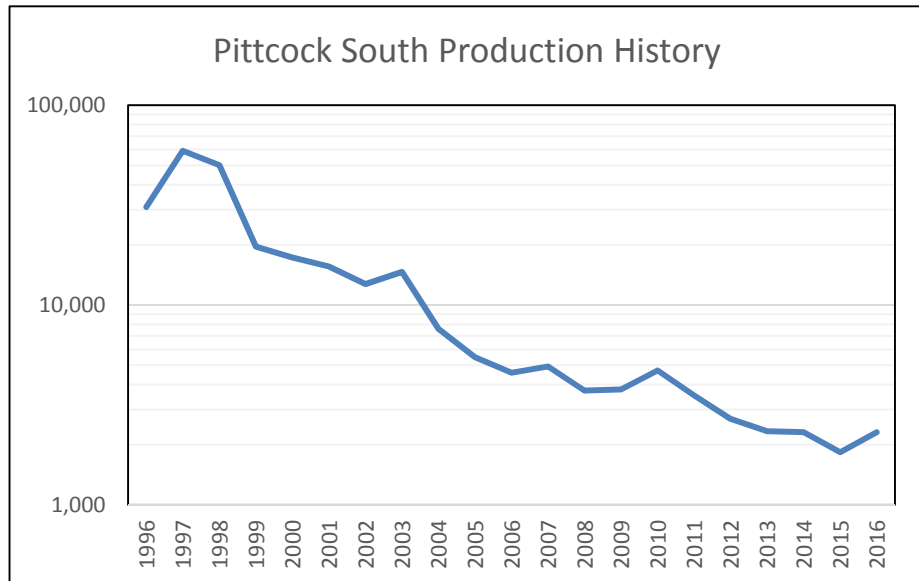
#### The Pittcock South Lease

During the first quarter of 2017, the General Partner, on behalf of the Limited Partnership, acquired Working Interests in the Pittcock South Lease, located in Stonewall County, for USD \$150,000. The Pittcock South Lease covers 498 acres and includes six (6) producing wells, thirteen (13) shut-in wells, and two (2) saltwater disposal wells. Current production is approximately 18 bbl/d.

**The appraisal of the Pittcock South Lease, as of December 31, 2016, incorporated by reference as part of this Offering Memorandum, estimates the net reserves at 247,960 Bbl of which 233,140 Bbl represent Total Proved reserves.**

Well Name	API Numbers	Well Number
Pittcock	424-333-3264	7601
Pittcock	424-333-3267	7602
Pittcock	424-333-3305	7603
Pittcock	424-333-1618	11
Pittcock	424-333-2501	14
Pittcock	424-333-1536	3
Pittcock	424-333-1588	5
Pittcock	424-333-1887	6
Pittcock	424-333-1630	7
Pittcock	424-333-1629	8
Pittcock	424-333-1670	9
Pittcock	424-333-1671	10
Pittcock	424-333-2889	12
Pittcock	424-333-3084	17
Pittcock	424-333-3120	18
Pittcock	424-333-3179	19
Pittcock	424-333-1324	1
Pittcock	424-333-1440	2
Pittcock	424-333-1594	4
Pittcock	424-333-3070	16

Year	Oil/Bbls Year
<b>1996</b>	30,898
<b>1997</b>	59,172
<b>1998</b>	50,069
<b>1999</b>	19,599
<b>2000</b>	17,301
<b>2001</b>	15,581
<b>2002</b>	12,720
<b>2003</b>	14,654
<b>2004</b>	7,604
<b>2005</b>	5,479
<b>2006</b>	4,588
<b>2007</b>	4,923
<b>2008</b>	3,732
<b>2009</b>	3,776
<b>2010</b>	4,705
<b>2011</b>	3,525
<b>2012</b>	2,692
<b>2013</b>	2,335
<b>2014</b>	2,310
<b>2015</b>	1,832
<b>2016</b>	2,309



### Investment Strategy

The strategy of the Limited Partnership is to combine the secure and reliable revenue source of Working Interests in producing Oil and Gas Properties with the high yield potential of interests in development stage Oil and Gas Properties. To that end, the Limited Partnership will seek to acquire, enhance and, if warranted, develop Oil and Gas Properties that are projected to have long production lives, and will seek to acquire those Oil and Gas Properties at prices which are projected to produce investment returns that would be competitive with those expected by companies with similar capitalization operating in the oil and gas industry.

The Limited Partnership's primary focus for ensuing twelve (12) months and beyond, is to identify, evaluate and acquire Oil and Gas Properties, or interests therein that can reliably generate income to service the obligations of the Limited Partnership, provide a reasonable and market-competitive return to investors and which has the potential to provide capital appreciation in the long term.

It is within the General Partner's sole discretion to determine the utilization of available cash flow from the business and operations of the Limited Partnership for matters beyond satisfying all mandatory liabilities and other payment obligations of the Limited Partnership.

The General Partner uses a discounted cash flow ("DCF") analysis to value any Oil and Gas Properties that the Limited Partnership may consider acquiring. DCF is a valuation method used to estimate the attractiveness of an investment opportunity. DCF analysis uses future cash flow projections and discounts them (most often using the weighted average cost of capital) to arrive at a present value, which is used to evaluate the potential of an investment. If the value arrived at through analysis (known as the "internal rate of return") is higher than the current cost of the investment, the opportunity may be a good one. However, there is no guarantee that a DCF analysis will be able to accurately identify a profitable investment. Oil and Gas Properties with atypically high internal rates of return generally involve a high degree of risk, uncertainty and rate of failure.

The General Partner may not focus on acquiring Oil and Gas Properties with the highest internal rates of return, as the General Partner believes that to focus strictly on internal rates of return would result in a bias towards high risk investments. As a result, the General Partner will seek to acquire, enhance, and, if warranted, develop both Oil and Gas Properties with high internal rates of return and Oil and Gas Properties with lower internal rates of return that have longer anticipated production lives. In this manner, the General Partner will seek to develop a risk-balanced portfolio of Oil and Gas Properties. Under normal market conditions, the Limited Partnership expects to invest 50% of its available capital in producing Oil and Gas Properties and midstream assets such as pipelines and 50% of its total assets in development stage Oil and Gas Properties.

The General Partner has unlimited liability for the debts, liabilities, losses and obligations of the Limited Partnership. Subject to the provisions of the Partnership Act and any specific assumption of liability, the liability of each Limited Partner for the debts, liabilities, losses and obligations of the Limited Partnership is limited to (a) the amount of capital contributed or agreed to be contributed to the Limited Partnership by the Limited Partner in respect of its Unit(s), as stated in the declaration or any amending declaration or certificate filed pursuant to the Partnership Act relating to the Limited Partnership, plus (b) any additional capital required or agreed to be contributed by the Limited Partner pursuant to the provisions of the Partnership Agreement, plus (c) the Limited Partner's share of any undistributed income of the Limited Partnership as provided in the Partnership Agreement.

### Buying and Selling Oil and Gas Properties

The Limited Partnership is a buy-and-hold investor, investing for the purpose of maximizing cash flow. The Limited Partnership may acquire Oil and Gas Properties to hold for the long term in order to generate current income for the Limited Partnership. The Limited Partnership anticipates that most of the Oil and Gas Properties it will acquire will be fully valued at the time they are purchased, and expects to achieve a



rate of return on its investment in Oil and Gas Properties that is competitive with prevailing rates of return in the oil and gas industry. The Limited Partnership is not in the business of trading Oil and Gas Properties.

However, the Limited Partnership may sell any Oil and Gas Properties it acquires. For example, if an Oil and Gas Property has high operating expenses or requires significant capital investment, the Limited Partnership may sell the property to avoid paying the operating expenses or capital investment and incurring the risk associated with participating in a major development project. Similarly, if the Limited Partnership receives an offer for a property that materially exceeds the Limited Partnership's internal evaluation of that property, the Limited Partnership may sell that property. In either case, any and all profits from the sale of the Oil and Gas Property will belong to the Limited Partnership.

#### Direct Investment in Third Party Oil and Gas Companies

The Limited Partnership may invest in the equity or debt securities of third party companies involved in the oil and gas industry with the aim of optimizing portfolio returns and diversifying risk. The General Partner believes that financial assets have often performed well during periods of declining energy prices, and have tended to decline in value during periods of major energy price increases. However, there is no guarantee that the Limited Partnership will be able to identify desirable securities in which to invest.

The Limited Partnership may acquire equity or debt securities at prices greater than the market prices of such securities, and the resale of such securities may be affected by, among other things, a lack of liquidity and indefinite resale restrictions. There is no assurance that an adequate market will exist for any securities acquired by the Limited Partnership or by the Limited Partners upon the dissolution of the Limited Partnership, or that the investment strategy employed by the Limited Partnership will enhance returns or yield any returns whatsoever.

#### Hedging

The Limited Partnership may enter into hedging transactions to fix the price or to set "floors" and "ceilings" on the oil and gas sold from any Oil and Gas Properties subject to the hedge for various periods of time. A hedge is a position established in one market in an attempt to offset exposure to the price risk of an equal but opposite obligation or position in another market. The General Partner anticipates that any hedge periods will generally be between twelve (12) months and sixty (60) months in length. However, hedge periods may be shorter or longer depending on the circumstances. A hedge will permit the Limited Partnership to sell any oil and gas at a stable price, and will therefore protect against significant drops in prices. The General Partner may hedge up to 80% of the oil and gas produced from any Oil and Gas Properties it has or intends to acquire.

#### Borrowing

The Limited Partnership may:

- borrow funds from commercial lenders to finance the acquisition of any Oil and Gas Properties or to finance exploitation activities on any Oil and Gas Properties;
- borrow funds pledging any Oil and Gas Properties as collateral to acquire any additional Oil and Gas Properties;
- distribute loan proceeds to sellers, lease holders, owners or other parties in consideration of the acquisition, maintenance or operation of Oil and Gas Properties and related activities; and
- refinance existing loans secured by any Oil and Gas Properties.

The Limited Partnership intends to use debt conservatively and aims to structure any borrowing on a long-term basis. The Limited Partnership may fully amortize mortgages, which are non-recourse to the

Limited Partners, when acquiring Oil and Gas Properties. The Limited Partnership intends to use no more than 50% debt in its capital structure, even though more leverage could increase the Limited Partnership's expected rate of return on a *pro forma* basis.

On a *pro forma* basis, leverage increases the internal rate of return on an investment in an Oil and Gas Property. The primary reason the Limited Partnership may use leverage in its capital structure is to attempt to increase the total return from its investments in Oil and Gas Properties. However, there can be no assurance that any borrowing strategy employed by the Limited Partnership will enhance returns or will yield any specific rate of return. However, increased leverage does also increase the risk; while leverage magnifies profits when the returns from the asset more than offset the costs of borrowing, losses are magnified when the opposite is true. A corporation that borrows too much money might face bankruptcy or default during a business downturn, while a less-leveraged corporation might survive. Other risks are as follows but not limited to: call options that might not be able to be met, cash-flow not adequate to service interest on the leveraged amount and loss of secured collateral due to default.

Any loans obtained by the Limited Partnership will be non-recourse and secured by the Oil and Gas Properties acquired by the Limited Partnership.

The Limited Partnership may in the future borrow funds to finance activities in respect of Oil and Gas Properties.

See "Secured Debenture Purchase Agreement" above.

#### Availability of Oil and Gas Properties for Investment

The General Partner believes that current industry conditions provide an excellent opportunity to purchase interests in producing Oil and Gas Properties at prices that can generate attractive rates of return. In reaching this conclusion, the General Partner has examined the following factors:

- Since the late 1980s, the major oil companies have been consolidating and restructuring their operations in the United States and reducing the size of their operational staffs. As this occurs, these companies' ability to manage or oversee the same number of property interests decreases. In an effort to improve efficiency, companies have been selling Oil and Gas Properties in which they own minor interests, or divesting all properties in specific geographic areas.
- Beginning in the early 1980s, the number of entities operating properties in the United States and Canada began decreasing. This trend continued for two decades, but may have reversed in the past several years. While higher commodity prices have spawned the formation of new operating companies and have encouraged new investment, some larger companies have chosen to sell their assets or to merge with other companies. This often creates buying opportunities for smaller companies who are willing to purchase non-strategic or less desirable Oil and Gas Properties. In addition, the General Partner believes that the oil and gas industry is aging and is facing a shortage of qualified professional personnel to replace existing management teams as they begin to retire. As such, individual operators and companies may also choose to sell their properties.
- Some companies owning "legacy properties", i.e. those Oil and Gas Properties with very long remaining lives and low production decline rates, may elect to sell their anticipated production at current relatively-low discount rates, with the expectation of redeploying the resulting capital in projects with higher projected rates of return. Such "legacy assets" will typically fit the Limited Partnership's evaluation criteria and economic models.
- Companies and institutional investors may purchase groups of Oil and Gas Properties from major companies, retain only those meeting specific criteria, and place the remaining properties back on the market. Individual interests may be too small to warrant management's attention, may be located outside of targeted acquisition areas, or may be proportionally too small for the institution

to be able to select an operator. Often, such properties offered for resale meet the Limited Partnership's evaluation criteria.

#### Oil and Gas Property Evaluation Procedures

The General Partner may conduct initial screenings to determine if Oil and Gas Properties being considered for purchase meet certain criteria. The primary evaluation standards applied during the screening of an Oil and Gas Property may consist of one or more of the following indicators:

- One or more fields in production with stable current production rates;
- Moderate-to-long remaining production life (ten (10) to thirty (30) years or more);
- Targeted Operating costs of \$8 - \$15 per barrel of oil or equivalent;
- Relatively fully developed (i.e. at least 50% of the value assigned to an acquisition will be based on the valuation of Proved Developed Producing ("**PDP**") reserves). Oil and Gas Properties with exploitation potential are valued on a risk-adjusted basis, and may constitute up to 50% of the valuation of an acquisition;
- Operated by a competent operator;
- Situated onshore and in North America; and
- Includes wells that have been in production for a sufficiently long period to establish production characteristics.

The General Partner will use various assumptions regarding oil and gas prices and production rates. Generally, assumed prices for future production will be based on the prices which futures contracts for those commodities are currently trading on public exchanges. Production rates will be projected to an economic limit based on an engineering evaluation.

The General Partner plans to pursue acquisitions of producing Oil and Gas Properties that have exploitation potential. The decrease in oil and gas prices over the past two years has provided a cyclical opportunity to target acquisitions at a discount. Further enhancements can be done at lower prices during down cycles as opposed to when the oil and gas prices are higher. These enhancements may include workovers, recompletions, stimulation projects and the drilling of additional wells on acreage "held by production". The General Partner anticipates that the valuation of new acquisitions may attribute as much as 10% to 20% of the purchase price to proved developed non-producing reserves.

#### Future Oil Fields Production and Projected Economics (50% of total production Capacity)

The following table is a hypothetical of future oil fields production and projected economics production, assuming the maximum offering is achieved and the available funds are fully-invested as planned:

Projected Production boe/day	310
Projected Oil Price	\$40.00
Royalty Payments (12.5%)	\$11.25
Projected Operating Costs	\$7.20
Projected Overhead Management Costs	\$2.40
Total Operations Cost on a per barrel calculation	\$20.85
Production Revenue Netbacks	\$19.15

Daily cash flow	\$5,936.50
Yearly Cash Flow (350 days)	\$2,077,775.00
Net Cash Flow	\$2,077,775.00
Hypothetical Offering Costs to Organize Purchase of the Oil Asset	\$1,000,000.00
Hypothetical Purchase Price of Property(including farm-outs)	\$13,550,000.00
Enhancement & further development of fields	\$3,450,000.00
Selling Commissions and Fees	\$1,600,000.00
Working Capital	\$400,000.00
Total Hypothetical Project/Business Cost and Capital Requirement	\$20,000,000.00
Projected time for Repayment of LP Investor equity	9.6 years

Although the fund is targeting a 5-7 year term, there is no guarantee that it will be within that time frame. The above table shows an example of the performance projection if the fund continues past 7 years and we are not able to divest of our assets.

\* Projected production assumes the maximum offering is achieved and all funds have been deployed to acquire producing assets, as currently planned. Projected Oil price is assumed based on past cycles and a two year average for the Fund. Royalty payment is not an assumption. We acquire assets with such royalty regimes, typically 1/8th lease. Operating cost is assumed from both our internal records and industry partners. These do fluctuate with both oil and gas prices.

### Operators

In general, operators of Oil and Gas Properties provide title reports, logs and other information regarding any wells on the properties to the Working Interest owners. Operators also drill and complete wells, operate them on a day-to-day basis and arrange for the sale of any oil and gas produced on the properties. Operators are compensated in the form of monthly management fees paid by Working Interest owners, which are included in the operating costs of the properties.

**In many cases, including the Limited Partnership's anticipated projects, an operator is granted a percentage of net proceeds whereby it earns a percentage of net revenues derived from an Oil and Gas Property, this creates a vested interest for the operator to perform its duties as efficient as possible which in turn would benefit the fund and the limited partners.**

### Compensation of General Partner

The General Partner will receive the GP Expense Amount from the Limited Partnership, equal to 5% of the gross proceeds of the Offering. The General Partner will use these funds to pay all Fund Expenses. The balance, if any, after payment of Fund Expenses is paid by the General Partner to the Manager as the Administration Fee under the Management Agreement.

**The majority of the General Partner's compensation will therefore be strictly related to the success of the Limited Partnership's investments in Oil and Gas Properties. The General Partner will receive a 50% share in the profits of such investments after payment of the Preferred Return and certain other items in accordance with the terms of the Partnership Agreement.**

Notwithstanding the foregoing, the General Partner may employ or engage, from time to time and at the expense of the Limited Partnership, persons to render the type of services generally needed to accomplish the Limited Partnership's purposes, including but not limited to geologists, engineers, accountants, attorneys and other consultants and employees to advance and develop the Oil and Gas Properties. The employment of such persons by the General Partner will be on such terms and for such reasonable compensation as are in accordance with generally accepted business practices. Such persons may include Affiliates of the General Partner, provided that the compensation paid to any such

Affiliate does not exceed the compensation which the Limited Partnership would be required to pay to other persons not affiliated with the General Partner for comparable services.

### Compensation of the Manager

Under the terms of the Management Agreement, the Manager is to provide administrative services to the Limited Partnership, including without limitation the preparation of financial statements and tax returns and provision of office space and equipment, and for those services is paid the Administration Fee by the General Partner. The Administration Fee will be payable by the General Partner out of the GP Expense Amount, after deduction by the General Partner of organizational and operation expenses of the Limited Partnership. Accordingly, the amount of the Administration Fee actually paid to the Manager under the Management Agreement will depend on the expenses of the Limited Partnership from time to time.

In addition, pursuant to the terms of the Management Agreement, the Limited Partnership will pay to the Manager an annual asset management fee (the “**Asset Management Fee**”) equal to 0.5% of the fair market value of the net assets of the Limited Partnership, paid monthly, in arrears. The General Partner shall determine the fair market value of the assets of the Limited Partnership on the last day of each fiscal year during the term of the Limited Partnership in its discretion having regard to reasonable commercial principals applicable at the time and in the circumstance of such value being determined.

### 2.3 Development of Business

The General Partner and the Initial Limited Partner entered into the Partnership Agreement effective September 16, 2013. The Partnership Agreement was amended on October 2, 2013, January 22, 2015 and November 1, 2016.

The Limited Partnership was formed on September 17, 2013, specifically to carry out the business described in this Offering Memorandum. On September 25, 2013, the Limited Partnership, the General Partner and the Manager entered into the Management Agreement regarding the administration of the Limited Partnership.

Refer to introduction section of this offering memorandum for further detail on the development of the business.

### 2.4 Long Term Objectives

The long term objective of the Limited Partnership is to build a medium-risk portfolio of producing Oil and Gas Properties and midstream assets in order to generate consistent revenues. See “Investment Strategy” above. There is no specific time period during which this is expected to occur, given that the selection of Oil and Gas Properties for acquisition will depend on multiple factors, including the proceeds raised from this Offering, prevailing market prices for Oil and Gas Properties, and the availability of suitable Oil and Gas Properties. The cost to complete the partnerships long term objectives can be reviewed in Table 1.1 and Table 1.2

As of the date of this Offering Memorandum, aggregate cash distributions of \$39.38 has been distributed per unit, for a total aggregate cash distribution of \$256,755.96. The Partnership paid distributions to Limited Partners in excess of its available net cash flow (for each fiscal period, an amount equal to the income earned by the Limited Partnership in that period from its ownership of the Oil and Gas Properties, not including any Extraordinary Net Cash Receipts for such period) in 2015 and part of 2016, contrary to the Limited Partnership’s distribution policy. On November 1, 2016, the Partnership amended its distribution policy to allow for monthly distributions of available cash flow, subject to reserves for expenses as the General Partner in its discretion, considers appropriate. All subsequent distributions were in accordance with the amendments to the Limited Partnership's distribution policy.

The Limited Partnership and the General Partner cannot guarantee that the objective will be met. Results will vary and are subject to numerous risks and in fact a Limited Partner may experience a complete loss of their investment. See “Risk Factors” in Item 8.

## 2.5 Short Term Objectives and How We Intend to Achieve Them

The Limited Partnership has two main objectives over the next twelve (12) months. The first is to complete the maximum offering. Assuming the maximum offering is raised, the second objective is to use the proceeds raised from the Offering to purchase and start development of the highest potential returned evaluated fields.

<b>What we must do and how we will do it</b>	<b>Target completion date or, if not known, number of months to complete</b>	<b>Our cost to complete (\$)</b>
Close maximum offering through direct and indirect marketing presentations	December 31, 2017	Up to \$2,080,000 <sup>(1)</sup>
Complete acquisition of additional properties	Next 12 months	Up to \$6,200,000
Develop and Enhance Pittcock North, Pittcock South, Peavy, Loving and McMurtry properties	Next 12 months	Up to \$4,000,000

(1) Represents commissions and expenses related to the Offering.

## 2.6 Insufficient Funds

The proceeds of this Offering may not be sufficient to accomplish all of the Limited Partnership's proposed objectives. The Limited Partnership may seek to raise additional funds through debt financing. However, there is no assurance that alternative financing will be available or on terms that are acceptable. See “Risk Factors” in Item 8.

## 2.7 Material Agreements

The McAdams Lease was sold on April 13, 2016 for USD\$ 50,000. After 9 months of analysis including Four (4) re-entries and recompletion attempts on the Leigh Anne & Hamilton wells, management was not successful on bringing the wells onto production and believed these formations and wells are fully depleted and would have no value. The Leigh/Hamilton Leases were assigned to Amen Oil Corp on May 25, 2016 to avoid liability from non-producing wells and Plugging & Abandonment liability (“P&A”).

During the first quarter of 2017, the General Partner, on behalf of the Limited Partnership, acquired Working Interests in the Pittcock South Lease, located in Stonewall County for USD\$150,000.

The only material agreements that the Limited Partnership is party to are: the Partnership Agreement, the Management Agreement, the Farm-Out Agreement, the Pittcock Lease, the Pittcock South Lease, the Peavy Lease, the Rhodes Trust Lease, the Salley Nash Lease, the Windy Jones Lease, the McMurtry Lease, the Loving Estate Lease and the Secured Debenture Purchase Agreement. The material terms of these agreements are summarized in Item 2.2.

The General Partner on behalf of the Limited Partnership has entered into certain of these agreements with non-arms' length parties. The General Partner of the Limited Partnership is a wholly-owned subsidiary of the Manager of the Limited Partnership. Mehran Ehsan, a director and the President and Treasurer of the Investment Corporation is also a director and the Chief Executive Officer, President and

Treasurer of the General Partner and is a director and the Chief Executive Officer and President of the Manager. In addition, Barry Whelan, a director and the Chief Operating Officer of the Investment Corporation is a director and the Chief Operating Officer of both of the General Partner and the Manager and Wayne Needoba, a director of the Investment Corporation, is also the managing director of the General Partner. The Manager is wholly-owned by Mehran Ehsan. For details, see Item 3.5 under the heading "Potential Conflicts of Interest".

#### *Partnership Agreement*

The material terms of the Partnership Agreement are summarized in Item 5.1 and the Partnership Agreement is attached as Schedule "A". Subscribers to this Offering will not be parties to the Partnership Agreement and will not have any rights thereunder. Subscribers should review the Partnership Agreement with their legal and accounting advisors. A full copy of the Partnership Agreement is attached at Schedule "A".

#### *Management Agreement*

Under the terms of the Management Agreement, the Manager is to provide administrative services to the Limited Partnership, including without limitation the preparation of financial statements and tax returns and provision of office space and equipment, and for those services is paid a fee by the General Partner. The Administration Fee will be payable by the General Partner out of the GP Expense Amount, after deduction by the General Partner of all Fund Expenses. Accordingly, the amount of the Administration Fee actually paid to the Manager under the Management Agreement will depend on the Fund Expenses from time to time. In addition, pursuant to the terms of the Management Agreement, once the Limited Partnership is in positive cash-flow, the Manager will be paid the Asset Management Fee directly by the Limited Partnership. The Management Agreement does not have a fixed termination date and expires upon termination of the Limited Partnership, unless the Manager resigns or is earlier removed for cause.

#### *Farm-Out Agreement*

The material terms of the Farm-Out Agreement with Kentucky Petroleum are summarized in Item 2.2.

### 2.8 Proposed Reorganization

During Q3 2017, the Limited Partnership proposes to complete a reorganization of its assets to assist with its application to list on the Canadian Securities Exchange (the "Reorganization"). The steps of the Reorganization as well as their primary consequences are described below. A post-Reorganization structure chart follows the description of the various components of the Reorganization.

#### Step 1: Transfer of Assets of the Limited Partnership to Permex Petroleum Corporation ("Newco")

The first step in the Reorganization is the transfer of all of the assets and liabilities of the Limited Partnership to Newco. In consideration for all of the assets of the Limited Partnership, Newco will agree to assume all of the liabilities of the Limited Partnership and to issue Common shares in its authorized share structure to the Limited Partnership. The exact number of common shares and price per share to be issued will be determined by management, having regard to the value of the assets.

Prior to the Reorganization, Newco's sole outstanding share is held by the General Partner and does not hold any material assets or liabilities. Mehran Ehsan and Barry Whelan are the directors and officers of Newco.

After Step 1 of the Reorganization, the Limited Partnership will hold all but one Common share of Newco, and as such, will be entitled to substantially all of the economic entitlement in respect of the assets of the Limited Partnership now held by Newco. Each of Newco and the Limited Partnership shall agree to execute and file an election in respect of subsection 85(2) of the Tax Act such that the transaction

contemplated in Step 1 should not incur any taxable gains or income in respect of either Newco and the Limited Partnership.

#### Step 2: Amendment of Limited Partnership Agreement

After Step 1 is complete (as described above), the dissolution and windup provisions of the Limited Partnership Agreement would be amended. The substantive effect of this amendment would be that the Limited Partnership would now be able to distribute the Common shares and any residual cash (if applicable) of Newco to the Limited Partners pro-rata on winding up based on their Proportionate Shares (as defined in the Limited Partnership Agreement). The Limited Partnership Agreement would grant each limited partner an undivided interest in every Common share of Newco held by the Limited Partnership based on their Proportionate Share.

This step is a preparatory step to Step 3 (described below) and is not anticipated to produce any taxable income or gains in the Limited Partnership.

#### Step 3: Windup and Dissolution of the Limited Partnership

After Step 2, the Limited Partnership is planned to be wound up and dissolved on a tax deferred basis in accordance with subsection 85(3) of the Tax Act. As a result of this procedure, all of the former limited partners of the Limited Partnership will hold a number of Common shares in Newco such that their proportionate interests in the underlying assets of Permex LP prior to the Reorganization shall remain the same.

As a result of Step 3, all previous limited partners of the Limited Partnership will be Common shareholders of Newco.

#### Step 4: Exchange of Class C shares of N.A. Energy Resources Corp. for Common shares of Newco

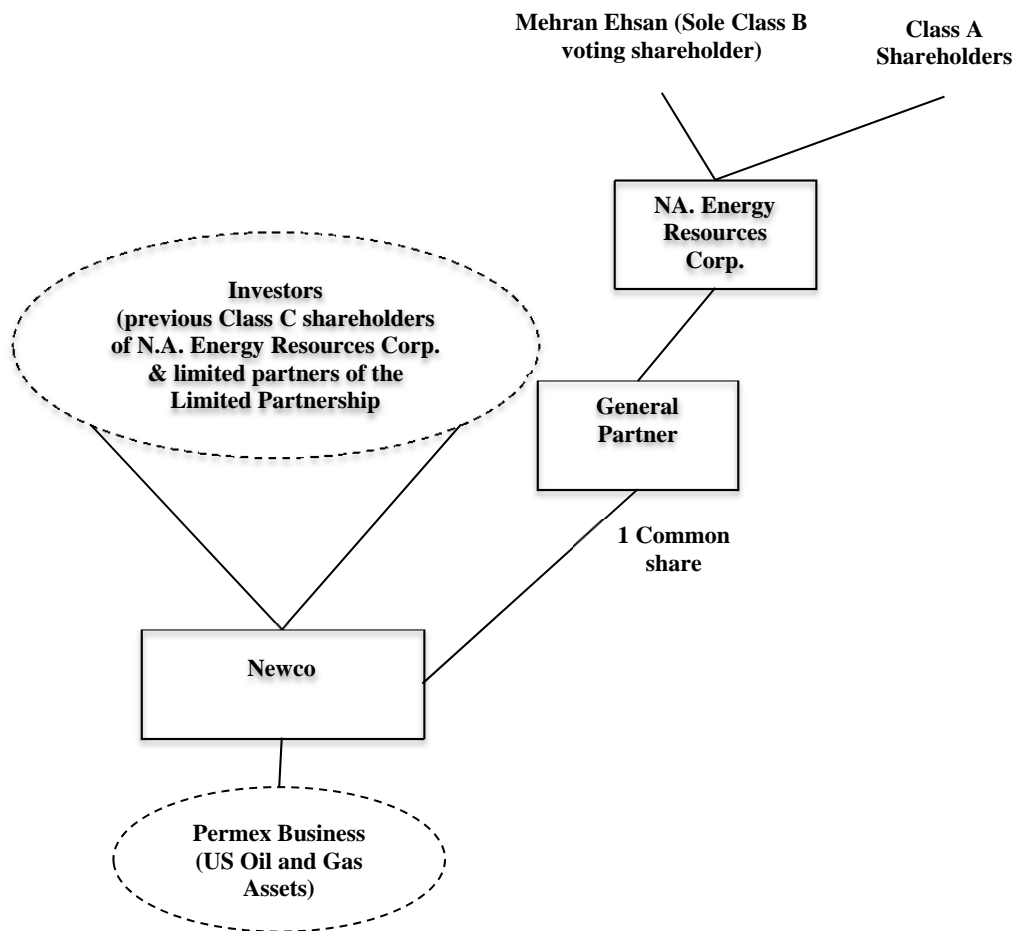
In the final step of the Reorganization, all of the Class C shares of N.A. Energy Resources Corp. will be exchanged for the Common shares of Newco held by N.A. Energy Resources Corp. after the completion of Step 3. As a result of this process, the underlying economic interest in the net assets of the Limited Partnership (now held by Newco) that would otherwise be held by the Class C shareholders of N.A. Energy Resources Corp. after the completion of Step 2, would represent the same underlying interest, except such interest would be held via Common shares in Newco.

Step 4 is contemplated to be completed by way of plan of arrangement in accordance with the provisions of the Business Corporations Act (British Columbia). The interim order from the Supreme Court of British Columbia allowing for a special meeting of the Class C shareholders of N.A. Energy Resources Corp. was approved on June 15, 2017. The plan of arrangement was approved by Class C shareholders of N.A. Energy Resources Corp. on June 27, 2017.

Completion of the transactions contemplated in the plan of arrangement (i.e., Step 4) will only be contemplated if and when Steps 1 through 3 have been completed and when a final order by the Supreme Court of British Columbia is issued allowing for such plan of arrangement.

The exchange of the Class C shares of N.A. Energy Resources Corp. for the Common shares of Newco held by N.A. Energy Resources Corp. is not expected to result in any tax consequences to N.A. Energy Resources Corp. or Newco.



*Post-Reorganization Structure Chart:*

### Item 3: Interests of Directors, Management, Promoters and Principal Holders

#### 3.1 Compensation and Securities Held

Name and municipality of principal residence	Positions held and date obtained	Compensation paid in most recent Fiscal Year and anticipated to be paid in the current Fiscal Year <sup>(1)</sup> (\$) 2016 and 2017	Number, type and percentage of Units held after completion of Minimum Offering		Number, type and percentage of Units held after completion of Maximum Offering	
			(#)	(%)	(#)	(%)
Mehran Ehsan <sup>(2)</sup> Vancouver, British Columbia	President, Chief Executive Officer, Treasurer and Director of the General Partner (September 17, 2012)	Nil in 2016 \$75,000 anticipated in 2017	0	0	0	0
Barry Whelan <sup>(3)</sup> Vancouver, British Columbia	Chief Operating Officer and Director of the General Partner (September 17, 2012)	Nil in 2016 \$50,000 anticipated in 2017	0	0	0	0
Wayne Needoba Vancouver, British Columbia	Managing Director (September 17, 2012)	Nil in 2016 \$30,000 anticipated in 2017	0	0	0	0

- (1) The General Partner was formed September 17, 2012. Additional amounts may be paid as bonuses if the Limited Partnership meets certain revenue objectives at the end of each Fiscal Year, however no such determinations have been made as at the date of this Offering Memorandum. Any amounts paid as executive compensation will be paid by the General Partner out of the GP Expense Amount. The directors may receive compensation from the manager under asset management fees.
- (2) Mr. Ehsan is also a principal shareholder, director and officer of N.A. Energy Resources Corp. which is the Manager, the Initial Limited Partner and the sole shareholder of the General Partner.
- (3) Mr. Whelan is also a director and officer of N.A. Energy Resources Corp. which is the Manager, the Initial Limited Partner and the sole shareholder of the General Partner.

#### 3.2 Management Experience

The officers and directors of the General Partner are as follows:

Name	Principal occupation and related experience
<b>Mehran Ehsan</b> <i>President, Chief Executive Officer, Treasurer and Director</i>	As President of Permex Petroleum, Mehran Ehsan has developed it as an upstream oil and gas company focused on acquisitions and divestitures. Over the last ten years Mr. Ehsan has been involved as a manager in mergers, acquisitions and divestitures, financing arrangements and investment with a specialty in oil and gas opportunities. He has been directly involved and facilitated syndication of over \$82 million in capital syndication and injection within various investment markets. He is the President and Chief Executive Officer of the General Partner. He is also the President and Chief Executive Officer of N.A Energy Resources Corp.

Name	Principal occupation and related experience
	<p>and Kentucky Petroleum Operating Ltd. Mr. Ehsan's vast experience ranges from private to public &amp; government based oil and gas deals and projects; he has worked with oil and gas companies such as Marun Oil &amp; Gas Production, West Texas Investment Corp. Mr. Ehsan comes from a background of corporate finance and business management. His academic background ranges from a spectrum of marketing management, business management, wealth management and petroleum based curriculum and programs, and he is also an MBA candidate with a specialty in Finance. Mr. Ehsan has authored various articles in the oil and gas industry, with presence as a guest speaker and judge in both this industry and academia related events.</p>
<p><b>Barry Whelan, P.Geo,</b> <i>Chief Operating Officer and Director</i></p>	<p>Barry Whelan has more than 40 years' experience as a geologist, he has worked with such companies as Gulf Oil on its international operations, KOS Energy Ltd., Next Millennium Commercial Corp., Opal Energy Ltd., Copper Creek Ventures Ltd., Avro Energy, Polar Resources Ltd., ProAm Exploration Corporation, Voyageur Oil and Gas Corp. and Bighorn Petroleum to name a few. Mr. Whelan has represented a diverse array of energy market participants including oil, gas and other resources based companies with clients ranging from global energy concerns to start-up companies. As a Geological Consultant, Mr. Whelan has been active in natural resource and industrial development companies with natural resource holdings in oil, gas and minerals, worldwide. Responsibilities include: economic evaluations of properties; research and development of projects which have economic potential; evaluation of projects and their requirements for capital; presentations to management, financial institutions, and shareholders; economic analysis of resource properties and coordination of acquisition, development and production for resource properties; filing of V.S.E. reports, assessment reports and property evaluations for petroleum and mining companies on resource properties. The geographical areas of operations and research include North America, Brazil, Argentina, Chile, Ecuador, Venezuela, Colombia, Ghana, Kazakhstan, Tunisia, Indonesia, Kenya, Israel, Papua New Guinea and China.</p>
<p><b>Wayne Needoba</b> <i>Managing Director</i></p>	<p>Mr. Needoba has over 40 years of international petroleum industry planning, engineering and team leader experience in all aspects of exploration and development, evaluation, completion and well intervention operations, onshore and offshore, environments. Mr. Needoba Joined Esso Ex (now Exxon Mobil) and worked internationally from 1974 to 1986 as a drilling and completions / well testing engineer, operations supervisor. Voluntarily separated in 1986 and founded a drilling and completions project management business in Perth, Western Australia. In 1992 separated from the company and relocated to Bangkok Thailand, and have been a consultant on a range of oil and gas projects to present time. Mr. Needoba graduated with a diploma in Petroleum Technology from SAIT, Calgary Alberta in 1964 and worked with oil and gas production in Alberta until the end of 1965. Worked in Australia with oil and gas operations from 1966 to 1969 and then in the Middle East as an oil well cementing and stimulation supervisor. Attended the University of Tulsa 1971 to 1973 and graduated with a BSc in Petroleum Technology 1973</p>

The Independent Board of Advisors of the General Partner and are as follows:

Name	Principal occupation and related experience
<b>Malcolm Fraser</b>	Mr. Malcolm B. Fraser is the President of Tearlach Resources Ltd a company specializing in exploration, development and exploitation of oil and gas, nickel, natural resources and alternative energy. Mr. Fraser has over 40 years' experience in mineral exploration, project financing, mine development, non-ferrous, precious and industrial minerals marketing, and international law. He holds degrees in Geological Engineering from Queens University, Kingston, Ontario, Economic Geology from Harvard, and Law from Osgoode Hall, Toronto.
<b>Gary Shroeder</b>	Mr. Shroeder comes to us with background experience in corporate sales, corporate finance, residential/commercial real estate development and other fields. In the last 36 years, he has acted as President of a private consulting business (Corporate Focus Ltd.) and President of Stox Broadcasting Ltd. Stox Broadcasting Ltd. was a public company that provided real-time financial information over cablevision and subsequently over the internet. Over 20 million was raised to finance this project. Mr. Shroeder was also a director of Orca Power Corp., a former President of Abbstar Resources Ltd., a public Junior Mining Company exploring for uranium in Québec and the President of Creation Casinos Inc. which opened a casino in Lithuania in conjunction with the Great Canadian Casino Company, a large gaming operator based in Richmond B.C. Over 6 million was raised to fund this eastern European bricks and mortar casino operation. Mr. Shroeder obtained his degree with a Major in Finance from the University of British Columbia in 1968.
<b>David Mark</b>	Mr. Mark has been a geophysicist and has actively worked in this field for over 30 years. He is the President of Geotronics Consulting Inc., a company that does geophysical work in the mining and resource field; environmental work; and soil engineering. Geotronics Consulting Inc. has done work all over North America, South America and elsewhere. Over the years Mr. Mark has sat on the boards of 30-40 mining companies. He currently sits on the board of Double Crown Ventures Ltd., Menika Mining Ltd., Green Valley Mine Incorporated and Lakewood Mining Co. Limited.
<b>Kevin Redmond</b>	<p>Mr. Redmond currently serves as President of Entech Energy Group (EEG). Kevin brought together the leadership team and formed EEG to develop a market for emerging environmental chemistries and technologies in the oil and gas sector.</p> <p>In 2007, EEG acquired the patents and processes from the US company which developed these chemistries. Entech now operates out of Calgary, with satellite offices in Arizona and Mexico.</p> <p>Kevin started his career in oil and gas in the late 70's with Reda Pump in Edmonton and moved, with Reda, to Libya as shop foreman in the Dhara field. Upon returning to Canada Kevin successfully launched numerous businesses in promotions and entertainment, import/export and the service sectors.</p>

### 3.3 Penalties, Sanctions and Bankruptcy

Except as set forth below, no penalties or sanctions have been in effect during the last ten (10) years, nor has there been any cease trade order issued that has been in effect for more than thirty (30) consecutive days during the past ten (10) years against:

- (a) any of the directors, executive officers or control persons of the General Partner; or
- (b) a company of which any of the directors, executive officers or control persons of the General Partner was a director, executive officer or control person at the time.

None of the directors, executive officers or control persons of the General Partner (or any company of which any of the directors, executive officers or control persons of the General Partner was a director, executive officer or control person at that time) have ever declared bankruptcy or been involved in a voluntary assignment in bankruptcy or a proposal under any bankruptcy or insolvency legislation, or any proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets that has been in effect during the last ten (10) years.

In January, 2016, staff at the Alberta Securities Commission (the “**ASC**”) identified disclosure deficiencies in the Limited Partnership’s offering memorandum dated May 10, 2015, which deficiencies it considered to be material. At the time of the review Mehran Ehsan, Barry Whelan and Wayne Needoba were directors of the General Partner and Mehran Ehsan and Barry Whelan were senior officers of the General Partner. Following the review, the Limited Partnership and its directors and senior officers of the General Partner were required to provide an undertaking (the “**Undertaking**”) to the Executive Director to discontinue distributions until such time as those disclosure deficiencies were rectified. Through the course of this same review, the ASC further determined that the Limited Partnership’s marketing materials were not prepared in accordance with Alberta securities laws.

The Limited Partnership rectified the disclosure and on June 21, 2016, was released from the Undertaking.

### 3.4 Indebtedness

As of the date of this Offering Memorandum the General Partner did not have any debentures or loans due to or from the directors, management, promoters and principal holders of the Limited Partnership.

### 3.5 Potential Conflicts of Interest

Certain of the directors and officers of the General Partner are also directors, officers and shareholders of N.A. Energy Resources Corp., which is the Manager of the Limited Partnership and the General Partner’s sole shareholder. The General Partner will receive the GP Expense Amount equal to 5% of the gross proceeds from the sale of Units to cover all Fund Expenses, including the General Partner’s expenses incurred in organizing the Limited Partnership and the Offering and will participate in the profits of the Limited Partnership. All such amounts will be paid to the General Partner for its own account and the General Partner will not have any obligation to account to the Limited Partnership or any Limited Partner for any such amounts.

Under the Management Agreement, the General Partner will pay the Manager the Administration Fee (for managing the administration and operations of the Limited Partnership) out of the GP Expense Amount, after deduction by the General Partner of all Fund Expenses. In addition, once the Limited Partnership is in positive cash-flow, the Manager will receive the Asset Management Fee directly from the Limited Partnership, which will be paid out of the Limited Partnership’s funds. Such amounts will be paid to the Manager for its own account and the Manager will not have any obligation to account to the Limited Partnership or any Limited Partner for any such amounts.

None of the General Partner, the Manager, or any director or officer of such entities are in any way limited or affected in its or his ability to carry on other business ventures for their own accounts and for the accounts of others, and are now, and intend in the future to be, engaged in the development of, investment in and management of other oil and gas properties. None of these persons will have any obligation to account to the Limited Partnership or the Limited Partners for profits made in such other activities. See Item 8 – “Risk Factors” – “Conflicts of Interest”.

#### **Item 4: Capital Structure**

##### 4.1 Unit Capital of the Limited Partnership

Description of security	Number authorized to be issued	Price per security (\$)	Number outstanding as at June 28, 2017	Number outstanding after maximum offering <sup>(2)</sup>
Limited Partnership Units <sup>(1)</sup>	unlimited	1,000 <sup>(2)</sup>	6,520	20,000

- (1) The attributes and characteristics of the Limited Partnership Units are set forth under the heading “Description of Securities – Terms of Securities”.
- (2) Additional Units may be issued from time to time after completion of the Offering at the discretion of the General Partner. The consent of the Limited Partners is not required for the admission of additional Limited Partners.

##### 4.2 Debt

On June 19, 2017, under the terms of the amendment to the Secured Debenture Purchase Agreement, management paid the remaining principle balance owed of \$250,000 with an additional accrued interest payment of \$7,338.60. As of the date of this Offering Memorandum the secured debenture has been fully paid back to the lender and is no longer outstanding. See “Secured Debenture Purchase Agreement” under Item 2.2. The Limited Partnership may in the future borrow funds to finance activities in respect of the Oil and Gas Properties. See “Borrowing” under Item 2.2.

##### 4.3 Prior Sales

###### Limited Partnership

In accordance with the Initial Partnership Agreement, on September 16, 2013, N.A. Energy Resources Corp., the Initial Limited Partner, subscribed for and was issued 100 Units at a Subscription Price of \$0.10 per Unit for the aggregate capital contribution of \$10. These Units were surrendered to the Limited Partnership for cancellation in consideration for the payment of \$10 concurrent with the Initial Closing.

As of the date of this Offering Memorandum, there is an aggregate of 6,520 Units issued and outstanding. The following table sets out the details of the prior sales of Units within the last 12 months:

Date of Issuance	Type of Security Issued	Number of Securities Issued <sup>(1)</sup>	Price per Security	Total Funds Received
May 31, 2016	Units	62	\$1,000	\$62,000.00
July 15, 2016	Units	98	\$1,000	\$98,000.00

Date of Issuance	Type of Security Issued	Number of Securities Issued <sup>(1)</sup>	Price per Security	Total Funds Received
August 19, 2016	Units	30	\$1,000	\$30,000.00
August 31, 2016	Units	103	\$1,000	\$103,000.00
December 22, 2016	Units	133	\$1,000	\$133,000.00
December 30, 2016	Units	35	\$1,000	\$35,000.00
February 27, 2017	Units	184	\$1,000	\$184,000.00
March 22, 2017	Units	85	\$1,000	\$85,000.00
May 1, 2017	Units	438	\$1,000	\$438,000.00
May 31, 2017	Units	1089	\$1,000	\$1,089,000.00
June 20, 2017	Units	795	\$1,000	\$795,000.00

#### General Partner

The authorized share structure of the General Partner consists of an unlimited number of common shares, of which one common share is issued and outstanding, as follows:

Date of issuance	Description of security issued	Number of securities issued	Price per security (\$)	Total funds received (\$)
Sept. 17, 2012	common shares without par value <sup>(1)</sup>	1	\$0.01	\$0.01

(1) N.A. Energy Resources Corp., the Manager, owns the one common share of the General Partner that is issued and outstanding.

The General Partner issued no common shares or other securities during the last 12 months.

#### **Item 5: Securities Offered**

We are offering for sale a maximum of 20,000 Limited Partnership Units with no minimum offering. The holder of any Unit will be a Limited Partner of the Limited Partnership in accordance with the Partnership Agreement attached hereto as Schedule "A". By subscribing for one or more Units, you are agreeing to be bound by the terms and conditions of the Partnership Agreement.

The holder of each Unit will have the right to exercise one vote for each Unit held by the Limited Partner in respect of all matters to be decided by the Limited Partners. Limited Partners will be entitled to receive allocations of income or loss, distributions on wind-up or other dissolution, or any return of capital, *pro rata* in accordance with their respective proportionate shares. Except as otherwise provided herein, no Unit will have any preference or right in any circumstances over any other Unit.

You are advised to obtain independent legal advice regarding the terms and conditions of the Partnership Agreement prior to subscribing for any Units.

## 5.1 Terms of Securities

The information in this Item 5.1 reflects the terms of the Amended and Restated Limited Partnership Agreement dated November 1, 2016 between the General Partner, the Initial Limited Partner and the Limited Partners. Reference should be made to the entirety of the Partnership Agreement, which is attached to this Offering Memorandum as Schedule "A".

### General Description of the Limited Partnership

#### *Formation and Term*

The General Partner and the Initial Limited Partner have constituted the Limited Partnership effective September 17, 2013, which will continue until terminated in accordance with the Partnership Agreement upon the earlier of December 31, 2113, the passage of a Special Resolution approving the dissolution of the Limited Partnership, or, if the Limited Partnership no longer has any interest in any Oil and Gas Properties or any other material assets, whether real or personal, then on thirty days' written notice by the General Partner to the Limited Partners, and, in any case, after the completion of the liquidation of the Limited Partnership and the distribution of all funds remaining after payment of all of the debts, liabilities and obligations of the Limited Partnership to its creditors. The General Partner currently anticipates that the Fund will be wound up within five (5) to seven (7) years from the date of this Offering Memorandum.

Subject to all applicable laws, the Limited Partnership will carry on business under the name "Permex Petroleum Limited Partnership" or such other name or names as the General Partner may determine from time to time, provided that the General Partner files a new declaration or certificate under the Partnership Act as required.

#### *Fiscal Year*

The Fiscal Year of the Limited Partnership will end on December 31 in each and every year or such other date as the Limited Partners may determine by Special Resolution.

#### *Business*

The business of the Limited Partnership will be restricted to the business of directly or indirectly acquiring, holding, managing, operating and selling Oil and Gas Properties, or any direct or indirect interests therein, conducting other business which is ancillary or incidental thereto, and deriving income therefrom with a view to making a profit. The Limited Partnership will not carry on any other business. The Limited Partnership will have the power to do any and every act and thing necessary, proper, convenient or incidental to the accomplishment of its business and purposes including, without limitation, owning or disposing of partnership interests, shares or other securities whereby the Limited Partnership holds an indirect interest in any Oil and Gas Properties.

#### *Principal Place of Business*

The principal place of business, registered office and mailing address of the Limited Partnership and the General Partner is 625 Howe Street, Suite 1290, Vancouver, British Columbia V6C 2T6. The General Partner may change the principal place of business, registered office or mailing address of the Limited Partnership and the registered office or mailing address of the General Partner from time to time by giving notice to that effect to all Limited Partners, pursuant to the notice provisions contained in the Partnership Agreement.

#### *Description of Capital*

The capital of the Limited Partnership consists of an unlimited number of Units with a stated capital of \$1,000 per Unit or such greater amount as may be determined from time to time by the General Partner



in its sole discretion, subject to a maximum allowable discount to the stated capital as may be determined by the General Partner from time to time in its sole discretion of not more than 10%.

#### *Number of Partners*

The Limited Partnership will at all times have at least one General Partner and one or more Limited Partners. The General Partner may from time to time admit new Limited Partners after completion of the Offering, which will dilute your investment in the Units. The consent of the Limited Partners is not required for the admission of additional Limited Partners.

#### Authority and Obligations of the General Partner

##### *General Powers and Duties*

Should it become necessary and expedient for the Limited Partnership to have the following agreements, the General Partner will enter into such agreements on behalf of the Limited Partnership or the Limited Partners, as applicable:

- (a) agreements of purchase and sale for the purchase of Oil and Gas Properties, or assignments of such agreements of purchase and sale; and
- (b) any other document or agreement referred to in this Offering Memorandum or in furtherance thereof.

Pursuant to the Partnership Agreement the General Partner must exercise its powers and discharge its duties under the Partnership Agreement honestly, in good faith, and in the best interests of the Limited Partners; exercise the care, diligence and skill of a reasonably prudent person; and maintain the confidentiality of financial and other information and data which it may obtain through or on behalf of the Limited Partnership, the disclosure of which may adversely affect the interests of the Limited Partnership or a Limited Partner (except to the extent that such disclosure is required by law or is in the best interests of the Limited Partnership) and utilize such information and data only for the business of the Limited Partnership. The General Partner will be entitled to retain advisors, experts and consultants to assist it in the exercise of its powers and the performance of its duties under the Partnership Agreement.

##### *Authority*

Subject to those matters requiring an Ordinary Resolution or a Special Resolution, and subject to the provisions of the Partnership Act, the General Partner will carry on the business of the Limited Partnership with full and exclusive discretion, power and authority to administer, manage, control and operate the business of the Limited Partnership, and to do or cause to be done any act, take or cause to be taken any proceeding, make or cause to be made any decision and execute and deliver or cause to be executed and delivered any instrument, deed, agreement or document necessary, appropriate or incidental to the carrying on of the business of the Limited Partnership. No person dealing with the Limited Partnership is required to verify the authority of the General Partner to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf of or in the name of the Limited Partnership. The General Partner may execute any document or instrument under seal or without a seal as it deems appropriate notwithstanding whether or not any document authorizing it to act on behalf of the Limited Partnership or any Limited Partner was executed under seal.

### *Specific Powers*

Without limiting the general authority of the General Partner, the General Partner is authorized, at all appropriate times and from time to time, on behalf of and without further authority from the Limited Partners, to do all things which in its sole judgment are necessary, proper or desirable to carry on the business and purposes of the Limited Partnership, including but not limited to the following:

- (a) to act as the Registrar and Transfer Agent for the Limited Partnership, or retain another person to so act;
- (b) to engage such counsel and other professional advisers or consultants as the General Partner considers advisable in order to perform its duties hereunder;
- (c) to open and operate, either in its own name or in the name of the Limited Partnership, separate bank accounts, and to designate from time to time the signatories to such accounts, in order to deposit and to distribute funds with respect to the Limited Partnership;
- (d) to execute, deliver and carry out all other agreements, documents and instruments which from time to time require execution by or on behalf of the Limited Partnership, or which the General Partner may, in its discretion, determine appropriate, necessary and advisable in pursuing the business of the Limited Partnership, and without limiting the generality of the foregoing, to enter into financing, sales, agency and other agreements and arrangements in connection with the offering and sale of Units, with the Selling Agent or otherwise;
- (e) to pay all taxes, fees and other expenses relating to the orderly maintenance, repair, management and operation of the business of the Limited Partnership;
- (f) to file all reports, returns, elections, determinations, designations and other filings under the Tax Act or any other taxation or other legislation or laws of like import of Canada or of any provinces or jurisdictions in respect of the affairs of the Limited Partnership or of a Partner's interest in the Limited Partnership;
- (g) to act on behalf of the Limited Partnership with respect to any and all actions and other proceedings pertaining to the Limited Partnership or the Oil and Gas Properties, other assets or affairs of the Limited Partnership brought by or against the Limited Partnership;
- (h) to determine the amount and type of insurance coverage to be maintained in order to protect the Limited Partnership from all usual perils of the type covered in respect of comparable properties and businesses to that of the Limited Partnership and in order to comply with the requirements of the lenders of funds to the Limited Partnership;
- (i) to determine the amount, if any, to be claimed by the Limited Partnership in any year in respect of capital cost allowance and other discretionary deductions and reserves;
- (j) to hold the Limited Partnership assets and any properties in the name of the General Partner, the Limited Partnership or other designated person, or cause the Oil and Gas Properties to be held in trust for the Limited Partnership in circumstances where the General Partner considers such manner of holding title to be expedient or appropriate;

- (k) to purchase, lease or acquire assets or property on behalf of the Limited Partnership or sell, lease, transfer or otherwise dispose of the whole or any part of the Limited Partnership's assets or property, all on such terms and conditions as the General Partner may determine;
- (l) to invest funds not immediately required for the business of the Limited Partnership in short term securities or accounts;
- (m) to provide or arrange for the provision of such financial and other reporting functions as may be required by the provisions of this Offering Memorandum of the Partnership Agreement, the Partnership Act, other applicable laws, or applicable securities regulatory authorities;
- (n) to make distributions of Available Cash Flow and Extraordinary Net Cash Receipts should it be required;
- (o) to borrow money for and on behalf of the Limited Partnership and to give security therefor, in the name of the Limited Partnership or the General Partner, for the purposes of the Limited Partnership including, without limitation, for the purpose of financing and refinancing the Limited Partnership's interest in the Oil and Gas Properties or the business and operations of the Limited Partnership, including for the purpose of effecting Redemptions;
- (p) to grant and execute debentures, promissory notes, mortgages, documents and other instruments charging the whole or any part of the Limited Partnership's assets and undertaking and any undivided interest of the Limited Partners in such assets and to do all acts relating thereto as may be necessary or desirable to further the business of the Limited Partnership;
- (q) to oversee the acquisition, development, construction, operation, management and sale of the Oil and Gas Properties;
- (r) to sell or lease all or any portion of the Oil and Gas Properties;
- (s) to select the Oil and Gas Properties and to subsequently substitute or replace such Oil and Gas Properties with different Oil and Gas Properties;
- (t) to enter into farmout agreements with Affiliates and Associates of the General Partner for developing drilling projects;
- (u) to establish and hold an interest in one or more bodies corporate, partnerships, trusts or other organizations so that the business of the Limited Partnership may be conducted in the most tax-effective manner, or which may be necessary or advisable with respect to the business of the Limited Partnership;
- (v) to oversee the distribution of the assets of the Limited Partnership after payment or satisfaction of the liabilities of the Limited Partnership;
- (w) to execute any and all other deeds, documents and instruments and to do or cause to be done all acts and things as may be necessary or desirable to carry out the intent and purpose of the Partnership Agreement, including, without limitation, retaining qualified agents to carry out any of the foregoing;
- (x) to employ or engage from time to time, at the expense of the Limited Partnership, persons to render the type of services generally needed to accomplish the Limited

Partnership purposes, including but not limited to geologists, engineers, accountants, attorneys, and other consultants and employees. Employment of such persons by the General Partner shall be on such terms and for such reasonable compensation as are in accordance with generally accepted business practices. Such persons may include Affiliates or Associates of the General Partner, provided that the compensation paid to any such person is generally consistent with the compensation which the Limited Partnership would be required to pay to other persons not affiliated with the General Partner for comparable services;

- (y) to execute and deliver on behalf of, and in the name of the Limited Partnership, any and all documents or instruments of any kind which the General Partner may deem appropriate in carrying out the purposes of the Limited Partnership, including, without limitation, sales contracts, deeds, deeds of trust, notes, leases, subleases, mortgages, bills of sale, escrow agreements, or other agreements, documents or instruments of any kind or character, or amendments thereto;
- (z) (i) to enter into hedging agreements to fix the price or to set "floors" and "ceilings" of any oil and gas production sold by the Limited Partnership; (ii) forward sales of oil and gas production; (iii) purchase production "puts" and sell production "calls" in swap transactions; (iv) enter into "collar" transactions; and (v) covered calls;
- (aa) to purchase producing Oil and Gas Properties from existing limited partnerships in which the General Partner or an Affiliate or Associate of the General Partner serves as the General Partner. The purchase price for such Oil and Gas Properties will be determined by an independent, third party appraisal. The purchase price will be payable either in cash or Units based on a price of \$1,000.00 per Unit; and
- (bb) to approve any sale or refinancing of the Limited Partnership's interest in any Oil and Gas Properties and to undertake any and all action necessary or desirable to complete such sale or refinancing, including the execution and delivery of any agreements, documents or financing agreements, or the granting of any mortgages or other security relating to the sale or refinancing.

#### *Reimbursement*

The General Partner is entitled to reimbursement by the Limited Partnership for all reasonable third party costs and expenses actually incurred by it on behalf of the Limited Partnership in the ordinary course of business, or other costs and expenses incidental to acting as the General Partner to the Limited Partnership that are incurred, provided that the General Partner is not in default of its duties pursuant to the Partnership Agreement in connection with such costs and expenses. This reimbursement is subject to the GP Expense Amount. See Item 1 Use of Available Funds.

#### *Power to Amend Partnership Agreement*

The General Partner may, without prior notice to or consent from the Initial Limited Partner or any Limited Partner, amend any provision of the Partnership Agreement from time to time:

- (a) for the purpose of adding to the Partnership Agreement any further covenants, restrictions, deletions or provisions which, in the opinion of the General Partner, acting reasonably, are necessary for the protection of the Limited Partners;
- (b) to cure any ambiguity or to correct or supplement any provisions contained in the Partnership Agreement, which, in the opinion of the General Partner, acting reasonably, may be defective or inconsistent with any other provisions contained in the Partnership Agreement, and with respect to which, in the General Partner's reasonable opinion, the

cure, correction or supplement does not and will not substantially adversely affect the interests of the Limited Partners;

- (c) to make such other provisions in regard to matters or questions arising under the Partnership Agreement, which, in the opinion of the General Partner, acting reasonably, do not and will not substantially adversely affect the interests of the Limited Partners; or
- (d) to make such amendments or deletions to take into account the effect of the change in, amendment of, or repeal of any applicable regulation or legislation, which, in the opinion of the General Partner, acting reasonably, do not and will not substantially adversely affect the interests of the Limited Partners.

The General Partner must notify the Limited Partners of the full details of any such amendment to the Partnership Agreement within thirty (30) days of the effective date of the amendment. The Partnership Agreement may otherwise only be amended on the initiative of the General Partner with the consent of the Limited Partners given by Special Resolution, but no such amendment that adversely affects the rights of the General Partner may be made without the approval of the General Partner.

#### *Power of Attorney over Limited Partners*

By entering into a Subscription Agreement in accordance with this Offering Memorandum, each Limited Partner irrevocably nominates, constitutes and appoints the General Partner, with full power of substitution as the true and lawful attorney and agent of such Limited Partner, with full power and authority in the name, place and stead and for the use and benefit of such Limited Partner to do the following, namely:

- (a) to execute, swear to, acknowledge, deliver and file as and where required any and all of the following:
  - (i) the Partnership Agreement and all declarations or certificates required under the Partnership Act or any other applicable legislation, and all other instruments necessary to form, qualify or continue and keep in good standing the Limited Partnership as a limited partnership;
  - (ii) all instruments, declarations and certificates necessary to reflect any amendment to the Partnership Agreement;
  - (iii) any filing or election made pursuant to any applicable tax legislation;
  - (iv) any certificates of fictitious or trade names;
  - (v) all documents and instruments relating to the admission of additional or substituted Limited Partners; and
  - (vi) all conveyances, agreements and other instruments or documents deemed necessary or desirable by the General Partner to reflect the dissolution and termination of the Limited Partnership including the cancellation of any certificates or declarations and the execution of any elections or the making of any filings under the Tax Act, and any analogous provincial legislation, as any of the same may be amended or re-enacted from time to time;
- (b) to execute and file with any governmental body or instrumentality thereof of the Government of Canada or a province thereof or the Government of the United States or a state thereof any documents necessary to be filed in connection with the business, property, assets and undertaking of the Limited Partnership;

- (c) execute and deliver any documents or instruments required in connection with any Refinancing or any amendments thereto or renewals thereof;
- (d) to execute and deliver all such other documents or instruments on behalf of and the name of the Limited Partnership and for the Limited Partners as may be deemed necessary or desirable by the General Partner to carry out fully the provisions of the Partnership Agreement or any other material agreement, in accordance with its respective terms; and
- (e) to complete, amend or modify any documents or instruments executed by a Limited Partner in connection with the Limited Partnership or a subscription for Units.

To evidence the foregoing, each Limited Partner, in executing a Subscription Agreement or in executing an assignment of a Unit, will be deemed to have executed a power of attorney conferring substantially the powers set forth above. The power of attorney granted is irrevocable, is coupled with an interest, will survive the death, disability, incapacity, insolvency or other legal incapacity of a Limited Partner and will survive the assignment, to the extent of the obligations of the Limited Partner under this Offering Memorandum, by the Limited Partner of the whole or any part of the interest of the Limited Partner in the Limited Partnership and extends to bind the heirs, executors, administrators, successors and assigns of the Limited Partner, and may be exercised by the General Partner, on behalf of each Limited Partner, by executing any instrument with a single signature as the General Partner of the Limited Partnership or as the attorney and agent for all of the Limited Partners executing such instrument, or by such other form of execution as the General Partner may determine, and it will not be necessary for the General Partner to execute any instrument under seal notwithstanding the manner of execution of the power of attorney by the Limited Partner. The powers of attorney will not merge on the dissolution of the Limited Partnership but will continue in full force and effect thereafter for the purposes of concluding any matters pertaining to the Limited Partnership, to the business previously carried on by the Limited Partnership or to the dissolution of the Limited Partnership and the winding up of its affairs.

By executing a Subscription Agreement or by executing an assignment of a Unit, each Limited Partner agrees to be bound by any representations and actions made or taken in good faith by the General Partner pursuant to such power of attorney in accordance with the terms of the Partnership Agreement and waives any and all defenses which may be available to contest, negate or disaffirm the representations and actions of the General Partner taken in good faith under such power of attorney.

#### *Restrictions on Authority*

The following powers will only be exercisable by Special Resolution passed by the Limited Partners:

- (a) consenting to the amendment of the Partnership Agreement, except as provided in this Offering Memorandum;
- (b) waiving any default by the General Partner on such terms as the Limited Partners may determine;
- (c) agreeing to any compromise or arrangement by the Limited Partnership with any creditor, or class or classes of creditors;
- (d) amending, modifying, altering or repealing any Special Resolution previously passed by the Limited Partners;
- (e) dissolving or terminating the Limited Partnership except as in accordance with the Partnership Agreement;
- (f) approving the settlement of an action against the General Partner or the Selling Agent as a result of a breach of its duties; and

- (g) creating or issuing additional interests in the Limited Partnership of a different class than the Units where such additional interests would have a preference or priority over the Units in respect of distributions of Available Cash Flow, Extraordinary Net Cash Receipts, income or loss or return of contributed capital.

Where the Selling Agent, the General Partner, or any Affiliate of the Selling Agent or the General Partner, and any director or officer thereof, is the owner of a Unit, they will be required to abstain from voting in respect of items (b) or (f) above, and in addition, will be required to abstain in any other circumstance in which there exists a conflict of interest.

In addition, the General Partner will not:

- (a) cause the Limited Partnership to guarantee the obligations or liabilities of or make loans to the General Partner, or any Affiliate or Associate thereof, provided that the General Partner may cause the Limited Partnership to grant a guarantee, make loans or otherwise provide financial assistance to the General Partner or an Affiliate or Associate thereof where such guarantee, loan or financial assistance is given in connection with or in furtherance of the business of the Limited Partnership;
- (b) commingle the funds of the Limited Partnership with the funds of the General Partner or any other person; or
- (c) make a call for additional capital contributions by the Limited Partners, except as provided in this Offering Memorandum or except after having received the approval of the Limited Partners by way of Special Resolution.

Any other matters to be determined by the Limited Partners other than as is otherwise expressly provided for in or prohibited by the Partnership Agreement will be determined by Ordinary Resolution.

#### Rights, Powers, Obligations and Representations of Limited Partners

##### *Representations and Warranties of Limited Partners*

By executing a Subscription Agreement each Limited Partner represents, warrants and covenants to each other Limited Partner and to the General Partner that he:

- (a) is acting as a principal;
- (b) if an individual, has the legal capacity and competence to enter into and be bound by the Partnership Agreement and all other agreements contemplated thereby;
- (c) if a corporation, partnership, unincorporated association or other entity, is legally competent to execute this Agreement and all other agreements contemplated hereby and to take all actions required pursuant hereto, and further certifies that all necessary approvals of directors, shareholders, partners, members or otherwise have been given;
- (d) is not a non-resident of Canada under the Tax Act and is not a “non-Canadian” person under the *Investment Canada Act*;
- (e) is not a financial institution for the purposes of the Tax Act; and
- (f) will promptly provide such evidence of the legal status of such Limited Partner as the General Partner may reasonably request.

### *Residency Requirements*

Under the terms of the Partnership Agreement, the Units may only be held by persons or entities that are residents of Canada for Canadian income tax purposes. If, at any time, a Limited Partner becomes a non-resident for Canadian tax purposes, such non-resident Limited Partner will be required to sell such Limited Partner's Units to a resident of Canada or such Units may be redeemed by the Limited Partnership. Please see Section 2.8 of the Partnership Agreement for further information.

### *Compliance with Laws*

Each Limited Partner and the Initial Limited Partner will, upon request by the General Partner, immediately execute all certificates, declarations, instruments and documents necessary to comply with any law or regulation of any jurisdiction in Canada regarding the formation, continuance, operation or dissolution of the Limited Partnership.

### *Limitation on Authority of Limited Partners*

Any Limited Partner may from time to time inquire as to the state and progress of the business of the Limited Partnership and may provide comment as to its management; however, no Limited Partner will:

- (a) take part in the control or management of the business of the Limited Partnership;
- (b) transact any business on behalf of the Limited Partnership or execute any document which binds or purports to bind the Limited Partnership, the General Partner, the Initial Limited Partner or any other Limited Partner as such;
- (c) hold such Limited Partner out as having the power or authority to bind the Limited Partnership, the General Partner, the Initial Limited Partner or any other Limited Partner as such;
- (d) have any authority to undertake any obligation or responsibility on behalf of the Limited Partnership (except that the General Partner may act on behalf of the Limited Partnership notwithstanding that it may also be a Limited Partner); or
- (e) bring any action for partition or sale in connection with the Limited Partnership's interest in any Oil and Gas Properties or any other assets of the Limited Partnership, whether real or personal, or register or permit any lien or charge in respect of the Units of such Limited Partner to be filed or registered or remain undischarged against the Limited Partnership's interest in any Oil and Gas Properties in respect of such Limited Partner's interest in the Limited Partnership.

The Limited Partners will comply with the provisions of all applicable legislation, including the Partnership Act in force or in effect from time to time and will not take any action which will jeopardize or eliminate the status of the Limited Partnership as a limited partnership.

### *Default by Limited Partner*

Upon any Limited Partner defaulting in its obligations pursuant to the Partnership Agreement the General Partner may, at its option and in addition to any other remedies of the General Partner or the Limited Partnership, declare that the Limited Partner's Units are forfeited and the General Partner may forthwith, without any notice, without demand for payment, without advertisement, or without any other formality, all of which is hereby waived by each Limited Partner, sell the Units, or any of them, by public or private sale as fully and effectively as if the General Partner was the absolute owner thereof.



### *Nature of Unit*

The holder of each Unit will have the right to exercise one vote for each Unit held in respect of all matters to be decided by the Limited Partners. Limited Partners will be entitled to receive allocations of income or loss, distributions on wind-up or other dissolution, or any return of capital, *pro rata* in accordance with their respective ownership of Units. Except as otherwise provided in this Offering Memorandum, no Unit will have any preference or right over any other Unit under any circumstances.

### *Inspection of Records*

The General Partner will cause the Registrar and Transfer Agent to make the records relating to the Limited Partnership available for inspection by any Limited Partner, or his agent duly authorized in writing, at the expense of the Limited Partner. A copy of the register of Limited Partners will be provided to any Limited Partner upon forty-eight (48) hours' notice in writing to such Registrar and Transfer Agent, at the expense of the Limited Partner requesting same.

### *Successors in Interest of Partners*

The Limited Partnership will continue notwithstanding the admission of any new General Partner or Limited Partner or the withdrawal, insolvency, dissolution, liquidation, winding up, bankruptcy or other disability or incapacity of the General Partner or any Limited Partner. The Limited Partnership will be dissolved only in the manner provided for in Section 11.1 of the Partnership Agreement (Dissolution and Termination). See "Dissolution, Liquidation and Distribution of Sale Proceeds", below.

### *Lost Unit Certificate*

Except for Units to be held through the "book-entry only" system as detailed under the heading "Book Entry System for the Units" below, where a Limited Partner claims that a Unit Certificate evidencing ownership of a Unit has been defaced, lost, apparently destroyed or wrongfully taken, the Registrar and Transfer Agent will cause a new Unit Certificate to be issued, provided that, if requested by the General Partner, the Limited Partner files with such Registrar and Transfer Agent an indemnity bond in such form and in such amount as may be satisfactory to the General Partner to protect such Registrar and Transfer Agent and the Limited Partnership from any loss, cost or damage that they may incur or suffer by complying with the request to issue a new Unit Certificate and provided further that the Limited Partner satisfies all other reasonable requirements imposed by such Registrar and Transfer Agent, including delivery of a form of proof of loss.

### *Book Entry System for Units*

The General Partner may, at its sole option, specify that some or all of the Units are to be held through CDS, or its nominee, electronically through the non-certificated inventory ("**NCI**") system of CDS. In such event, all such Units will be issued (or re-issued) electronically through the NCI system and registered in the name of CDS or its nominee as custodian for the CDS Participants, who will hold such interests on behalf of the beneficial Limited Partners. Units held in CDS will be represented in "book-entry" form (unless the General Partner, in its sole discretion, elects to prepare and deliver Unit Certificates). Beneficial interests in the Units will be represented through book-entry accounts of the CDS Participants.

Units held in the NCI system will be purchased, transferred and surrendered for redemption through a CDS Participant. All rights of beneficial Limited Partners who hold Units in CDS must be exercised through, and all payments or other property to which such Limited Partners are entitled will be made or delivered by CDS or the CDS Participant through which the Limited Partner holds such Units. Except in certain limited instances, a Limited Partner beneficially holding Units through the NCI system will not be entitled to a certificate or other instrument from the Limited Partnership or the Registrar and Transfer Agent evidencing that Limited Partner's interest in or ownership of Units, nor, to the extent applicable, will such Limited Partner be shown on the records maintained by CDS, except through an agent who is a CDS Participant. CDS will be responsible for establishing and maintaining accounts for CDS Participants.

having interests in Units, and sales of interests in such Units can only be completed through CDS Participants.

#### Redemption and Retraction of Units and Allocation of Limited Partnership Capital and Losses

##### *Limited Redemption Rights*

The Units are not subject to any right of retraction.

Save for the redemption right set forth in Article 6 of the Partnership Agreement and described below, a Limited Partner is only entitled to demand a return of its capital contribution upon the dissolution, winding-up or liquidation of the Limited Partnership as provided in Section 11.2 of the Partnership Agreement. See “Dissolution, Winding-Up or Liquidation of the Limited Partnership”, below.

In addition, the General Partner will endeavor to establish an independent liquidity committee (the “**ILC**”) with a mandate to solicit opportunities to provide Limited Partners with liquidity for their units. In accordance with this mandate, the ILC would solicit, within sixty (60) months after the final closing dates, offers to purchase the assets of the Limited Partnership.

Units will be redeemable annually following one (1) year from the date of issuance, subject to applicable law and the terms and conditions set out in Article 6 of the Partnership Agreement. A Limited Partner holding Units wishing to redeem the whole or any part of its Units (a “**Redeeming Limited Partner**”) in any given Fiscal Year (a “**Redemption**”) must deliver written notice of such desire (the “**Redemption Notice**”) by no later than January 1<sup>st</sup> of that year. Redemption Notices received after January 1<sup>st</sup> shall be deemed received on the subsequent Fiscal Year. The Redemption Notice must be executed by the Redeeming Limited Partner and set out the name of the Redeeming Limited Partner and the number of Units, which the Redeeming Limited Partner wishes to redeem.

Upon receipt of the Redemption Notice, the General Partner will determine the Proved Reserve Value. For the purposes of Redemption, the “**Proved Reserve Value**” will be determined by a valuation (the “**Valuation**”) carried out by the General Partner of the present value of the Limited Partnership’s aggregated discounted proved reserves of the Oil and Gas Properties as of the last day of January during the Fiscal Year in which the Redemption Notice is received or deemed received. For the purpose of such valuation, discounted proved reserves are the estimated quantities of oil and natural gas which have been demonstrated to be recoverable in future years with reasonable certainty under existing economic and operating conditions as of the date of the Valuation.

Units will be redeemed at a redemption price equal to the Proved Reserve Value together with the Preferred Return accrued but remaining unpaid in respect of such Units as of the Redemption Date (as hereinafter defined) less the aggregate amount of all current liabilities of the Limited Partnership as of the Redemption Date, divided by the number of Units then issued and outstanding (the “**Redemption Price**”).

Redemptions made prior to 36 months from the date of issuance will be penalized as follows:

- Redemptions between year one and two will have 15 percent (%) taken off the Redemption Price; and
- Redemptions between year two and three will have 10 percent (%) taken off the Redemption Price.

Units redeemed following three years from the date of issuance will not be penalized.

#### *Procedure*

The General Partner will deliver to the Redeeming Limited Partner a notice in writing (the “**Notice of Valuation**”), containing the Redemption Price, the aggregate amount to be paid by the General Partner to the Limited Partner in order to effect the Redemption (the “**Redemption Amount**”) and the applicability of any terms of the Redemption set out in Section 6.7 of the Partnership Agreement.

The Redeeming Limited Partner must give notice in writing (the “**Election Notice**”) to the General Partner within thirty 30 days of receipt of the Notice of Valuation of its intention to effect the Redemption in accordance with the terms and conditions set out in the Notice of Valuation. In the event that the Redeeming Limited Partner does not provide an Election Notice within 30 days of receipt of the Notice of Valuation, the Redeeming Limited Partner’s Redemption Notice will be deemed to have been withdrawn and the Redeeming Limited Partner’s Units subject to such Notice will not be redeemed.

Within fifteen (15) days of receipt by the General Partner of the Election Notice (the “**Redemption Date**”), the General Partner will pay the Redeeming Limited Partner the Redemption Amount or any portion thereof required to be paid in the manner set out in the Notice of Valuation.

#### *Conditions of Redemption*

The Limited Partnership will redeem the Units specified in a Redemption Notice on the Redemption Date, subject to the following terms and conditions:

- (a) the obligation of the Limited Partnership to redeem Units will be subject to the General Partner determining in its sole discretion that sufficient funds are available to the Limited Partnership or may be borrowed in accordance with Section 3.2(o) of the Partnership Agreement, for the purpose of effecting the Redemption;
- (b) the General Partner may elect to pay the Redemption Amount, in one of the following ways:
  - (i) a cash payment to the Limited Partner or its designee on the Redemption Date; or
  - (ii) a promissory note payable in three (3) equal annual payments, on the Redemption Date and the first (1st) and second (2nd) anniversary thereof, with interest, compounded annually, at the Prime Rate;
- (c) if the Limited Partnership has received a Redemption Notice or multiple Redemption Notices requiring the Limited Partnership to redeem a number of Units in excess of 5% of the number of Units issued, or if the General Partner determines that sufficient funds may not be obtained by borrowing on commercially reasonable terms and are not otherwise available to redeem the Units in respect of which a Redemption Notice has been received, then the Redemption will be made *pro rata* to the Units specified on the Redemption Notice(s) for redemption such that each Limited Partner who has given a Redemption Notice to the Limited Partnership will receive a partial redemption of their Units; and
- (d) the Limited Partnership will have no obligation to redeem more than 5% of the issued Units of the Limited Partnership in any one (1) Fiscal Year.

If the Redemption Amount in connection with Redemption of a Unit is not made, all rights attaching to such Unit shall revive and continue as if such Unit had not been redeemed. In case any question shall

arise as to whether any Notice of Redemption has been given as above provided and any payments referred to in section 6.6 of the Partnership Agreement, such question shall be decided by an arbitration conducted in accordance with the *Commercial Arbitration Act* (British Columbia).

#### *Effect of Redemption or Assignment*

If, during any Fiscal Year, a Limited Partner assigns or transfers or redeems a Unit, such Limited Partner is not entitled to, and the General Partner will not distribute to that Limited Partner, any share of funds available for distribution in respect of the Unit transferred or redeemed and will not allocate any Net Income or Net Loss to that Limited Partner's capital account or current account, as applicable, as of the date of transfer or redemption, but will allocate the Net Income or Net Loss to the capital account or current account, as applicable, of the registered holder of the Unit as at the end of the Limited Partnership's Fiscal Year.

#### Allocation and Distribution of Limited Partnership Capital

##### *Determination of Profits and Losses*

Net Income and Net Losses of the Limited Partnership will be determined by the General Partner in accordance with international financial reporting standards consistently applied, subject to review by the Accountants where a dispute arises and the determination of such Accountants with respect to any such dispute will be binding upon the Limited Partners and the General Partner.

##### *Distribution of Available Cash Flow and Extraordinary Net Cash Receipts*

**It is within the General Partner's sole discretion to determine the utilization of available cash flow from the business and operations of the Partnership for matters beyond satisfying all mandatory liabilities and other payment obligations of the Partnership.** Any amount that is to be distributed among Limited Partners will be apportioned among them pro-rata based upon the number of LP Units held.

Subject to reserves for Expenses as the General Partner in its discretion considers appropriate, the General Partner will distribute Available Cash Flow monthly, fifteen (15) days in arrears of the end of each calendar month, as follows:

- (a) first, to the Limited Partners, *pro rata* in accordance with their respective Proportionate Share until each has received an amount which, when aggregated with all previous Payments, is equal to (but not in excess of) the sum of such Limited Partner's Preferred Return entitlement from the Date of Issue; and
- (b) thereafter, the balance of such distributions will be made 50% to the Limited Partners *pro rata* in accordance with their respective Proportionate Share and 50% to the General Partner.

Subject to reserves as the General Partner in its discretion considers appropriate, the General Partner will distribute Extraordinary Net Cash Receipts as and when funds are received and are available for distribution, as follows:

- (a) first, to repay all current obligations of the Limited Partnership, including without limitation, any loans advanced by the General Partner or the Limited Partners, plus accrued interest;
- (b) second, to fund reserves for contingent liabilities to the extent the General Partner considers necessary;

- (c) third, to the Limited Partners *pro rata* in accordance with the proportionate share of each Limited Partner until each Limited Partner has received payment in full of an equal amount to the Subscription Price of such Limited Partner's Units;
- (d) fourth, to the Limited Partners, *pro rata* in accordance with their respective Proportionate Share, until each has received an amount which, when aggregated with all previous Payments, is equal to (but not in excess of) the sum of such Limited Partner's Preferred Return entitlement from the Date of Issue; and
- (e) fifth, the balance will be distributed 50% to the Limited Partners *pro rata* in accordance with their respective Proportionate Share and 50% to the General Partner.

#### *Allocation of Income and Loss*

The Net Income for each Fiscal Year will be allocated on the following basis:

- (a) first, to each Limited Partner *pro rata* in accordance with such Limited Partner's Proportionate Share and the General Partner, an amount of Net Income which, when aggregated with all previous Payments is equal to, but not in excess of the aggregate of Net Losses which has previously been allocated to that Limited Partner or General Partner;
- (b) second, to the Limited Partners, *pro rata* in accordance with their respective Proportionate Share, an amount of Net Income equal to the Preferred Return until each has received an amount which, when aggregated with all previous Payments, is equal to (but not in excess of) the sum of such Limited Partner's Preferred Return entitlement from the Date of Issue; and
- (c) third, the balance will be allocated 50% to the Limited Partners *pro rata* in accordance with their respective Proportionate Shares and 50% to the General Partner.

The Net Loss for each Fiscal Year of the Limited Partnership will, subject to below, be allocated to the Limited Partners *pro rata* in accordance with the Proportionate Share of each Limited Partner. Any excess of Net Loss which is precluded from being allocated to Limited Partners will be allocated to the General Partner.

The General Partner will not allocate Net Losses to a Limited Partner if after the allocation, the Limited Partner would have a negative balance in its capital account. Notwithstanding the provisions above, if any Limited Partner has a negative balance in the Limited Partner's capital account, the General Partner will have the right to allocate Net Income to that Limited Partner in priority to other Limited Partners to the extent of the negative balance.

#### *Preferred Return Limits*

The right to receive the Preferred Return in respect of a Unit will terminate at the end of the Preferred Return Period. The Preferred Return Period means, in respect of a Unit, the period commencing on the Date of Issue of such Unit and ending on the earlier of (i) the seventh (7<sup>th</sup>) anniversary of the Date of Issue of such Units; and (ii) the date on which Payments in respect of such Unit are, in the aggregate, equal to a 100% return on the Subscription Price for such Unit. Please refer to Article 8 of the Partnership Agreement for further details.

#### *General Partner Discretion*

The General Partner will have the discretion, acting in good faith, to allocate revenue and expenses on a daily, incremental basis to ensure a fair distribution among Limited Partners after taking into consideration any matters that may be relevant. Adjustments may be made in respect of revenue earned or expenses

incurred prior to the time each Limited Partner became a Limited Partner and adjustments may be made in respect of fees paid in Fiscal Years prior to the year in which the Limited Partner became a Limited Partner. In calculating Net Income and Net Loss allocated to each Limited Partner, adjustments may be made to ensure that allocations to any Limited Partner in respect of fees and expenses incurred by the Limited Partnership will not, on a cumulative basis, exceed such Limited Partner's Proportionate Share of the aggregate amount of such fees paid by the Limited Partnership. The General Partner will also have the right to allocate revenues and expenses among Limited Partners to ensure they are treated equitably taking into account differences that may arise as a result of the acquisition of Units at different times in a Fiscal Year or in different Fiscal Years.

#### *Overpayments*

In the event of any overpayment to a Limited Partner, such overpayment will be refunded by such Limited Partner to the Limited Partnership, and any underpayment will be paid by the Limited Partnership to the Limited Partners, within 30 days of the final determination of such underpayment or overpayment.

#### *Withholding Tax*

If the Limited Partnership is required by any applicable income tax or similar legislation to withhold with respect to income allocated to or distributed to, a partner of the Limited Partnership, the amount withheld by the Limited Partnership will be treated as a distribution of Available Cash Flow or Extraordinary Net Cash Receipts (a "**Withholding Distribution**"), whichever the case may be, to the partner to whom such withholding relates. The General Partner will have the full discretion to determine whether any such withholding taxes are required to be paid and the amount of any such withholding taxes. The General Partner will have full authority and discretion to determine the proper method or methods for assuring that Withholding Distributions are treated in a manner consistent with the provisions for distribution to Limited Partners contained in the Partnership Agreement.

#### Dissolution, Winding-Up or Liquidation of the Limited Partnership

Save for the redemption right set forth in Article 6 of the Partnership Agreement and described above, a Limited Partner is only entitled to demand a return of its capital contribution upon the dissolution, winding-up or liquidation of the Limited Partnership.

Upon the dissolution of the Limited Partnership, the assets of the Limited Partnership will be liquidated and all proceeds thereof collected by the General Partner, and all such proceeds will be distributed as follows:

- (a) first, to pay any costs involved in any sale of the assets of the Limited Partnership and to pay all amounts required to discharge any mortgages or encumbrances registered against such assets;
- (b) second, to pay all expenses incurred in the winding-up of the Limited Partnership;
- (c) third, to pay all the liabilities of the Limited Partnership including any loans or advances made by Limited Partners and including amounts owing to the General Partner in respect of costs and expenses owing to it pursuant to the Partnership Agreement, in the manner required by law;
- (d) fourth, to establish such reserves as the General Partner considers necessary for contingent liabilities;
- (e) fifth, to return to each Limited Partner the amount in its capital account;
- (f) sixth, to return to the General Partner its \$10 capital contribution;

- (g) seventh, to pay to the Limited Partners any unpaid portion of their Preferred Return; and
- (h) eighth, the balance will be distributed 50% to the Limited Partners *pro rata* in accordance with their respective Proportionate Share and 50% to the General Partner.

Alternatively, the Limited Partners may by Special Resolution approve the distribution of all the assets of the Limited Partnership in kind or in specie in which event each Limited Partner will, subject to the provisions contained in the Partnership Agreement, be entitled to receive an undivided interest in each and every asset of the Limited Partnership in accordance with its Proportionate Share as of the date of such dissolution or sale.

## 5.2 Subscription Procedure

To subscribe for the Units offered under the Offering, you must make arrangements with the Selling Agent or the General Partner to satisfy the payment of the Subscription Price for the Units, and complete and deliver to the Selling Agent or the General Partner (as applicable) a signed and completed Subscription Agreement in the form attached hereto as Schedule “B”, including the Exhibits thereto in accordance with the instructions contained in the Subscription Agreement.

Funds delivered to the Limited Partnership for the purchase of Units will be held in trust by the Selling Agent or the General Partner for a period of two (2) days from the date that the Selling Agent or General Partner receives any Subscription Agreement and payment.

Subscriptions will be received, subject to rejection and allotment, in whole or in part, and subject to the right of the Limited Partnership to close the subscription books at any time without notice. The General Partner reserves the right to reject any Subscription in whole or in part. If a Subscription is not accepted, all subscription proceeds will be promptly returned to the prospective Investor without interest.

Closings may occur periodically as determined by the Limited Partnership.

## Distribution

The Units are being offered to Investors resident in the provinces of British Columbia, Alberta Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador pursuant to exemptions from the prospectus and, where applicable, the registration requirements afforded by NI 45-106 section 2.3 (accredited investor exemption), section 2.9 (offering memorandum exemption), and section 2.10 (minimum amount investment exemption).

The foregoing exemptions relieve us from the obligation under applicable securities legislation to file and obtain a receipt for a prospectus. Accordingly, prospective Investors will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

**Please carefully review the accompanying Subscription Agreement to determine the exemption requirements that apply to you.**

Purchasers will be required to make certain representations in the Subscription Agreement, and the General Partner will rely on such representations, to establish the availability of the exemptions under NI 45-106. No Subscription will be accepted unless the General Partner is satisfied that the Subscription is in compliance with applicable securities legislation. Investors other than individuals must also represent to the General Partner (and may be required to provide additional evidence at the request of the General Partner to establish) that such Investor was not formed solely in order to make private placement investments which may not have otherwise been available to any persons holding an interest in such investor.

The following persons and entities may not invest in Units of this Limited Partnership:

- (a) “non-Canadians” within the meaning of the *Investment Canada Act* (Canada);
- (b) “non-residents” of Canada, “tax shelters”, “tax shelter investments” or any entities an investment in which would be a “tax shelter investment” within the meaning of the Tax Act;
- (c) “financial institutions” within the meaning of section 142.2 of the Tax Act; or
- (d) a partnership which does not have a prohibition against investment by the persons referred to in the foregoing paragraphs (a), (b) and (c).

The Units will be issued electronically through the NCI system and registered to and held by, or on behalf of, CDS or its successor, as custodian for the CDS Participants. Purchasers of Units will not receive Unit Certificates. Rather, the Units will be represented in “book-entry” form (unless the General Partner, in its sole discretion, elects to prepare and deliver Unit Certificates). Beneficial interests in the Units will be represented through book-entry accounts of the CDS Participants. Each purchaser of a Unit will receive a confirmation of purchase from the Registrar and Transfer Agent. CDS will be responsible for establishing and maintaining book-entry accounts for the CDS Participants having interests in Units. If CDS notifies the Limited Partnership that it is unwilling or unable to continue as depository, or if at any time CDS ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Limited Partnership is unable to locate a qualified successor, beneficial owners of Units holding through the NCI system at such time will receive Unit Certificates.

As of the date of this Offering Memorandum, the Units are not eligible for a dividend reinvestment program. The General Partner may add this opportunity in the future.

## **Item 6: Income Tax Consequences and RRSP Eligibility**

### 6.1 Income Tax Consequences

**You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.**

The summary contained in this section is of a general nature only and is not exhaustive of all possible Canadian federal income tax consequences. It is not intended to be and should not be interpreted as legal or tax advice to any particular Investor.

### 6.2 Description of Income Tax Consequences

The following summary is based on the current provisions of the Tax Act, the Regulations to the Tax Act (the “**Regulations**”), all specific proposed amendments to the Tax Act and the Regulations announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”) and the current administrative practices of the Canada Revenue Agency (the “**CRA**”). This summary does not otherwise take into account or anticipate any changes in laws whether by judicial, governmental or legislative decision or action, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations. There is no certainty that the Tax Proposals will be enacted in the form proposed, if at all.

In the following discussion, references to income and loss mean income or loss determined for the purposes of the Tax Act.

The Limited Partnership is not a taxable entity, and will not be subject to tax under the Tax Act. However, the Limited Partnership will be required to compute its income or loss for each year under the Tax Act as



if it were a separate person resident in Canada, subject to the at-risk rules (the “**At-Risk Rules**”) and the proposed loss limitation rules discussed below.

The resultant income or loss of the Limited Partnership for each Fiscal Year will be allocated to each Limited Partner holding Units in accordance with the Partnership Agreement. Each Limited Partner will, in turn, be required to include, in computing his or her income for a taxation year, his or her share of the Limited Partnership income for the Limited Partnership’s Fiscal Year ending in that taxation year, whether or not any cash or other property is distributed to the Limited Partner on account of income in that Fiscal Year.

The Fiscal Year of the Limited Partnership will end on December 31 of each calendar year and a Fiscal Year of the Limited Partnership will end upon the dissolution of the Limited Partnership. Subject to the At-Risk Rules, each Limited Partner will also be entitled to deduct his or her share of any Limited Partnership non-capital loss from any income of the Limited Partner from other sources in computing his or her income for that year in accordance with the provisions of the Tax Act. To the extent that a Limited Partner’s share of any Limited Partnership non-capital loss exceeds his or her income from other sources for that year, the loss may be, subject to the At-Risk Rules, generally carried back three (3) years and forward twenty (20) years to reduce taxable income in those other years.

The Tax Act has been amended to impose an income tax that would apply to certain publicly traded limited partnerships. This tax should not apply to the Limited Partnership provided that the Units and any other securities issued by the Limited Partnership are not listed or traded on a stock exchange or other organized facility.

#### Limited Partnership Income

In calculating its income for a Fiscal Year for the purposes of the Tax Act, the Limited Partnership will be required to include income from all sources, including capital gains, and will generally be entitled to a deduction in respect of expenses paid or incurred during the Fiscal Year in connection with its business, provided such expenses are incurred for the purpose of earning income from business or property, are reasonable in the circumstances and are not payments on account of capital, all in accordance with the provisions of the Tax Act. Certain expenses incurred by the Limited Partnership may not be deductible in calculating its income but may be required to be capitalized.

The income or loss of the Limited Partnership for each Fiscal Year will be allocated to each partner pursuant to the Partnership Agreement. The income tax treatment will generally follow this allocation. In limited circumstances, under the Tax Act, where the principal reason for the agreement to share income or loss in a certain manner may reasonably be considered to be the reduction or postponement of tax that might otherwise have been or become payable under the Tax Act, a Limited Partner’s share of the income or loss of the Limited Partnership will be deemed to be the amount that is reasonable having regard to all the circumstances.

The profit or loss of the Limited Partnership for the purposes of the Tax Act may differ from the income or loss for accounting purposes. As a result, cash distributions to a Limited Partner on account of his or her share of Limited Partnership profits may differ from income allocated to the Limited Partner for the purposes of the Tax Act.

#### At-Risk Rules

The At-Risk Rules contained in the Tax Act may, in certain circumstances, restrict the deduction of a Limited Partner’s share of losses, if any, of the Limited Partnership to his or her “at-risk amount”. The Tax Act provides that, notwithstanding the income or loss allocation provisions of the Partnership Agreement, any losses of the Limited Partnership from a business or property allocated to a Limited Partner in respect of a Fiscal Year ending in a taxation year are deductible by such Limited Partner in computing the Limited Partner’s income for the taxation year only to the extent that the Limited Partner’s “at-risk amount” in

respect of the Limited Partnership at the end of the Fiscal Year exceeds *inter alia*, the Limited Partner's share of losses incurred by the Limited Partnership in the Fiscal Year.

Based on the assumption that a Limited Partner does not have an "at-risk benefit", a Limited Partner's at-risk amount in respect of Units at any particular time will generally be the adjusted cost base of his Units at that time, less any amount owing by the Limited Partner (or by a person or partnership not dealing at arm's length with such Limited Partner) to the Limited Partnership (or to persons who do not deal at arm's length with the Limited Partnership). Any part of a Limited Partner's share of such loss of the Limited Partnership that is not deductible in a taxation year by the Limited Partner because of the At-Risk Rules will be a "limited partnership loss" of the Limited Partner for the taxation year and may be carried forward and deducted against income of the Limited Partnership in a subsequent taxation year to the extent that the Limited Partner's at-risk amount in relation to the Limited Partnership at the end of the last Fiscal Year in that subsequent taxation year exceeds, *inter alia*, the Limited Partner's share of any losses of the Limited Partnership for that Fiscal Year from business or property.

As the Limited Partnership losses, if any, allocated to a Limited Partner's Units (pursuant to the Partnership Agreement) should not exceed the Limited Partner's cost of such Units, the General Partner anticipates that the At-Risk Rules should generally not restrict the deduction of such Limited Partnership losses allocated to the Limited Partner in respect of the Units, provided that a Limited Partner pays the full Subscription Price when due and that recourse for any associated borrowing or other financing of the Subscription Price is not limited and is not deemed to be limited. For these purposes, the Tax Act provides that recourse for borrowing or other financing is generally deemed to be limited unless:

- (a) bona fide arrangements, evidenced in writing are made at the time the indebtedness arises for repayment of the indebtedness and all interest thereon within a reasonable period not exceeding ten (10) years (a debt repayable only on demand will not meet this requirement); and
- (b) interest is payable, at least annually, at a rate equal to or greater than the lesser of the prescribed rate of interest under the Tax Act in effect at the time the indebtedness arose and the prescribed rate of interest applicable from time to time during the term of the indebtedness, and such interest is paid by the Limited Partner in respect of the indebtedness not later than sixty (60) days after the end of each taxation year of the Limited Partner.

Investors who propose to finance the acquisition of their Units should consult with their own tax advisors.

#### Proposed Loss Limitation Rule

Tax Proposals released by the Minister of Finance (Canada) on October 31, 2003 for public comment (the "**Proposed Loss Limitation Rule**") permit a taxpayer to deduct a loss from a business or property in a taxation year only if, in that taxation year, it is reasonable to expect that the taxpayer will realize a non cumulative profit from that business or property for the period for which the taxpayer has carried on and can reasonably be expected to carry on that business or which the taxpayer has held and can reasonably be expected to hold that property. For the purposes of this rule, profit is determined without reference to capital gains or capital losses. In the February 23, 2005 federal budget, the Department of Finance indicated that it had sought to respond to concerns raised in respect of the Proposed Loss Limitation Rule by developing a "more modest legislative initiative" to be released for public comment. No such legislative initiative has been publicly released prior to the date of this Offering Memorandum.

It is possible that the CRA will take the position that the Proposed Loss Limitation Rule announced on October 31, 2003, or any alternative proposal to replace the Proposed Loss Limitation Rule, if enacted as proposed, would limit the ability of a Limited Partner to claim business losses. Further, to the extent that CRA denies the deductibility of business losses pursuant to the Proposed Loss Limitation Rule, or any such alternative, such loss incurred by the Limited Partnership and otherwise allocable to a Limited Partner may be reduced or denied.

### Disposition of Units by Limited Partner

A Limited Partner who holds his or her Units as capital property will, upon a disposition of such Units, including upon the dissolution of the Limited Partnership, realize a capital gain, or sustain a capital loss, equal to the amount by which the proceeds of disposition received or deemed to have been received on the disposition of the Units exceed, or are exceeded by, the adjusted cost base of the Units and any reasonable costs of disposition. One-half of any such capital gain will be included in the Limited Partner's taxable income as a taxable capital gain in the taxation year in which the disposition or deemed disposition occurs, while one-half of any such capital loss will be treated as an allowable capital loss that may be used to offset taxable capital gains in the taxation year the capital loss is sustained. A Limited Partner will be entitled to deduct against such taxable capital gains, any allowable capital losses for the taxation year and net capital losses for preceding taxation years and the three (3) following taxation years in accordance with the detailed rules in the Tax Act. To the extent an allowable capital loss is not offset against taxable capital gains in the taxation year of disposition, it may be carried back three (3) taxation years and forward indefinitely to offset taxable capital gains realized by the Limited Partner in those other taxation years in accordance with the detailed rules in the Tax Act.

The adjusted cost base of a Limited Partner's Units will generally be equal to the cost to the Limited Partner of the Units, plus or minus various adjustments required under the Tax Act. Some required adjustments include additions to the adjusted cost base for income and capital gains allocated to a Limited Partner from the Limited Partnership in respect of the Units for Fiscal Years ending before the particular time and reductions to the adjusted cost base for cash distributions received from the Limited Partnership and non-capital losses and capital losses allocated to the Limited Partner by the Limited Partnership (in each case, after taking into account the At-Risk Rules).

If at the end of a taxation year the adjusted cost base of a Limited Partner's Units becomes a negative amount, the Limited Partner will realize an immediate capital gain and the adjusted cost base of the Units will be increased by the amount of the deemed gain.

A Limited Partner that is a "Canadian-controlled private corporation" (as defined in the Tax Act) throughout a taxation year may be liable to pay an additional refundable tax of 6 $\frac{2}{3}$ % on its aggregate investment income for the taxation year, which is defined to include taxable capital gains.

### Dissolution of the Limited Partnership

Upon the dissolution or termination of the Limited Partnership, all property which is distributed to the Limited Partners will be deemed to have been disposed of by the Limited Partnership at that time for proceeds of disposition equal to its fair market value and to have been acquired by the Limited Partners at a cost equal to the same amount. Any resultant income or gains on these deemed dispositions, if any, will be allocated to the Limited Partners in accordance with the Partnership Agreement. To the extent that a Limited Partner's adjusted cost base becomes negative, the Limited Partner will realize an immediate capital gain. Upon the dissolution of the Limited Partnership, a Limited Partner will be considered to have disposed of the Limited Partner's Units for proceeds of disposition equal to the fair market value of the property received upon such dissolution with the consequences described above.

### Limited Partnership Returns

Each Limited Partner will generally be required to file an income tax return reporting the Limited Partner's share of the income or loss of the Limited Partnership. While the Limited Partnership will provide the Limited Partners with the information pertaining to their investment in Units required for income tax purposes, the Limited Partnership will not prepare or file income tax returns on behalf of any Limited Partner. Each person who is a member of the Limited Partnership in a taxation year will generally be required to file an information return on or before the last day of March in the following year in respect of the activities of the Limited Partnership or, where the Limited Partnership is dissolved, within ninety (90) days of such dissolution. A return made by any partner will be deemed to have been made by each

member of the Limited Partnership. The General Partner has undertaken to file the Limited Partnership information return on behalf of the Limited Partners.

#### Alternative Minimum Tax

The Tax Act requires that individuals (and certain trusts) compute an alternative minimum tax determined by reference to the amount by which the individual's adjusted taxable income for the year exceeds a basic exemption which, in the case of an individual (other than certain trusts) is \$40,000. In computing adjusted taxable income, the individual must include, among other things, all taxable dividends (without applying the gross-up mechanism) and 80% of net capital gains. Various deductions and credits will be denied including amounts in a respect of losses of the Limited Partnership. A federal rate of 15.5% is applied to the amount subject to the minimum tax, from which the individual's basic minimum tax credit for the taxation year is deducted. Generally, if the minimum tax so calculated exceeds the tax otherwise payable under the Tax Act, the minimum tax will be payable. Whether and to the extent to which an individual Limited Partner's tax liability will be increased as a result of the application of the alternative minimum tax rules will depend upon the amount of the Limited Partner's income, the source from which it is derived and the amount of any deductions and credits the Limited Partner claims. Any additional tax payable by an individual for a taxation year as a result of the application of these rules will generally be deductible in any of the seven (7) immediately following taxation years in computing the amount that would, but for the alternative minimum tax, be the Limited Partner's tax otherwise payable for the taxation year.

#### 6.3 RRSP Eligibility

The Units are not eligible for investment in a registered retirement savings plan ("RRSP"). You should consult your own professional advisers to obtain advice on the RRSP eligibility of the Units.

#### 6.4 Tax Impacts From Proposed Reorganization

Should the proposed Reorganization (as described herein in Section 2.8) take place, neither Newco, the Limited Partnership nor N.A. Energy Resources Corp. are expected to incur any taxable gains or income as a result of the transactions contemplated thereby by virtue of the each of the contemplated steps either not producing a taxable transaction or otherwise being performed on a tax neutral basis in accordance with subsections 85(2) and 85(3) of the Tax Act.

### **Item 7: Compensation Paid To Sellers and Finders**

The General Partner may engage an authorized Selling Agent(s) in any territory of Canada or the United States where a distribution of Units pursuant to this Offering Memorandum is authorized. The maximum commission or fee payable to such Selling Agent(s) will be no more than 8% of the Subscription Price. Assuming that the maximum offering is sold to Investors introduced to the Limited Partnership by such Selling Agent(s) and that the maximum allowable commission or fee is paid, the Selling Agent(s) will receive an aggregate of \$1,600,000.

The General Partner will offer discretionary performance trailers to Selling Agents at prevailing industry rates. The General Partner may also share a portion of its carried interest with Selling Agents on a discretionary basis.

The General Partner will receive from the Limited Partnership the GP Expense Amount equal to 5% (or \$1,000,000 if the maximum offering is sold) of the gross proceeds of the Offering to cover all Fund Expenses. The balance, if any, after payment of Fund Expenses will be paid by the General Partner to the Manager as the Administration Fee under the Management Agreement.

## **Item 8: Risk Factors**

In addition to the factors set forth elsewhere in this Offering Memorandum, Investors should consider the following risk factors before purchasing any Units. Any, all or a portion of these risks, or other as-yet-unidentified and unforeseen risks may have a materially adverse effect on all or any of the Limited Partnership, the Oil and Gas Properties in which the proceeds of this Offering are invested, the Units, the potential tax benefits of an investment in the Units and the returns to Investors.

The Limited Partnership strongly recommends that, prior to purchasing any Units, prospective Investors review this Offering Memorandum in its entirety and consult with their own independent legal, tax, investment and financial advisors to assess the appropriateness of an investment in Units given their particular financial circumstances and investment objectives.

### Risks Relating to the Limited Partnership

#### *Speculative Nature of Investment*

This Offering is speculative. There is no assurance of a positive, or any, return on an investment in the Units. The purchase of Units involves a number of significant risk factors and is suitable only for investors who are in high marginal income tax brackets, who are aware of the inherent risks in resource development, who are able and willing to risk a total loss of their investment and who have no immediate need for liquidity.

The Subscription Price paid by an Investor at a closing subsequent to the Initial Closing may be less or greater than the valuation price per Unit at the time of the purchase, and since the proceeds available to the Limited Partnership for investment will be net of Offering and other expenses, unless the Limited Partnership's portfolio increases in value, the purchase price per Unit for such Investors will be greater than the valuation price per Unit. The extent to which the purchase price per Unit exceeds or is less than the valuation price per Unit will depend on a variety of factors, including whether or not the Limited Partnership acquires interests in Oil and Gas Properties at a premium or discount to market prices and changes in the value of the Limited Partnership's portfolio.

#### *This is a Partial Blind Pool Offering*

The General Partner has identified and acquired in the Partnership's portfolio, the Pittcock Lease, the Pittcock South Lease, the Peavy, Rhodes Trust, Salley Nash lease, the Windy Jones Lease, the McMurtry and Loving Estate Leases and a farmout agreement into the D.House lease under Tom Cat properties. During 2016, the General Partner started multiple re-entry and recompletions on both the McAdams and LeighAnne/Hamilton leases. The results obtained from the recompletions were not positive as such management sought to either sell or assign the plugging liability ("P&A") to another company. The McAdams was successfully sold and the Leigh Anne/Hamilton liability assigned. The General Partner has flexibility in selecting those Oil and Gas Properties in which to deploy the proceeds from the Offering and, as a result, the Limited Partnership may use the proceeds from the Offering to acquire assets with which Limited Partners may not agree. Competition, as described below, exists for all and in particular for the better investment opportunities from other investors and consequently there can be no assurance that the Limited Partnership will be able to identify and complete attractive investments or that it will be able to invest the entire amount of the proceeds of the Offering. There can be no assurance that any investment will actually achieve the Limited Partnership's investment objectives or that desirable investments which meet the Limited Partnership's investment criteria can be acquired on financially attractive terms. Any inability of the General Partner to find suitable investments that meet the Limited Partnership's investment criteria or apply the proceeds of the Offering effectively may result in unfavorable returns, cause a material adverse effect on the Limited Partnership's business or financial condition and result in delays in the Limited Partners' receiving a return from their investment or losses to the Limited Partners.

*Indeterminate Size of Offering*

The Limited Partnership is targeting a maximum offering of \$20,000,000 ,however, there can be no assurance that these funds will be raised. If the size of the Offering is less than the anticipated range, fewer investments may be made by the Limited Partnership and the average size of investments may be reduced. This could reduce the opportunity to diversify investments and, accordingly, risk and so could further increase the risk that the Limited Partnership may not attain its investment objectives.

*No Regulatory Review of Offering Memorandum*

The Limited Partnership is not a reporting issuer in any jurisdiction. Purchasers in this Offering will not have the benefit of a review of this Offering Memorandum by any regulatory authorities.

*No Secondary Market for Units*

There is no market through which Units may currently be sold and we do not expect any such markets to develop.

*No Exit Mechanism*

There is no market for Units and the Units are subject to overall restrictions under securities laws, Investors will not be able to liquidate their investment or withdraw their capital at will. Accordingly, an investment in Units should only be considered by Investors who do not require liquidity. See “Resale Restrictions” for disclosure concerning the resale restrictions applicable to the Units.

The General Partner will endeavor to establish an independent liquidity committee (the “**ILC**”) with a mandate to solicit opportunities to provide Limited Partners with liquidity for their units. In accordance with this mandate, the ILC would solicit, within sixty (60) months after the final closing dates, offers to purchase the assets of the Limited Partnership.

*Redemption Price*

The Redemption Price is based on the General Partner's estimate of the Partnership's Proven Reserve Value which may be too low, in which case redeeming investors will receive less for their units than they should have.

*Limited Redemption Rights; Liquidity*

There are significant limits on the rights of holders of Units to redeem the Units. A holder of Units will not be permitted to redeem the Units prior to one (1) year from the date of issuance of the Units. Any Redemption made between year one and year two of the date of issuance will have 15% deducted from the Redemption Price and any Redemption made between year two and year three of the date of issuance will have 10% deducted from the Redemption Price.

If, in any given year, the Limited Partnership receives notices requiring the Limited Partnership to redeem a number of Units in excess of 5% of the total number of Units outstanding, or if insufficient funds are available to retract the number of Units in respect of which a request for redemption has been made, then the redemption of Units in that year will be made on a *pro rata* basis. Therefore, there can be no assurance that Investors will be able to redeem their Units when they wish to do so. Refer to Item 5 “Description of Securities” for further particulars.

*Limited Prior Operating History*

The Limited Partnership has only a few years of operating history, business operations and assets. There is no assurance that it will be profitable or that its investment strategy will be successful. The Limited Partnership's operations are subject to all of the risks inherent in the creation of new investment activity,

including a limited prior operating history. While the General Partner has agreed to indemnify the Limited Partners in certain circumstances, the General Partner has nominal assets and it is unlikely that it will have sufficient assets to satisfy any claims pursuant to such indemnity.

#### *Dilution*

Any sale of Units will result in dilution to existing holders of Units. The General Partner of the Limited Partnership may issue additional Units in the Limited Partnership without the consent from the Limited Partners of the Limited Partnership.

#### *Borrowing*

The Limited Partnership has borrowed funds and may borrow additional funds in the future, which may result in the lender having priority over the holders of the Units in respect to the assets and any income of the Limited Partnership. See “Secured Debenture Purchase Agreement” under Item 2.2.

#### *Reliance on General Partner and its Management*

Prospective purchasers assessing the risks and rewards of this investment should appreciate that they will, in large part, be relying on the good faith and expertise of the General Partner and its principals and management team, including in particular Mehran Ehsan, Barry Whelan, Wayne Needoba and Dale Lee. Specifically, Investors will rely on the discretion and ability of the General Partner and its principals in determining the composition of the portfolio of Oil and Gas Properties and in negotiating the pricing and other terms of the agreements leading to the acquisition of Oil and Gas Properties. The ability of the General Partner to successfully implement the Limited Partnership’s business strategy will depend in large part on the continued employment of Mr. Ehsan, Whelan, Needoba and Lee. Neither the General Partner nor the Limited Partnership maintains key person life insurance for any of these individuals. If the General Partner loses the services of one or more of these individuals, the business, financial condition and results of operations of the Limited Partnership may be materially adversely affected. There is no certainty that the persons who are currently members of the General Partner’s management team will continue to be available to the Limited Partnership for the entire period during which it requires the provision of services.

Although the approval of the Limited Partners is required for certain limited matters, Limited Partners have no right to take part in the management of the business of the Limited Partnership and the Limited Partnership and the Limited Partners will be bound by the decisions of the General Partner as provided in the Partnership Agreement. It would be inappropriate for investors who are unwilling to rely on the General Partner to this extent to subscribe for Units.

#### *Net Worth of General Partner*

The General Partner, which has unlimited liability for the obligations to the Limited Partnership, has no material net worth. Therefore, if the Limited Partnership is not able to generate sufficient funds through the operation of the Oil and Gas Properties to meet its obligations, the General Partner will be exposed to bankruptcy or insolvency. Bankruptcy or insolvency will impair or remove entirely the ability of the General Partner to successfully implement the Limited Partnership’s business strategy, carry out a restructuring of the business and affairs of the Limited Partnership if required, or satisfy certain limited obligations of the General Partner to the Limited Partnership.

#### *Conflicts of Interest*

The directors and officers of the General Partner are directors, officers and shareholders of other entities, including those disclosed below, which are directly or indirectly related to the Limited Partnership and are also involved in other businesses and projects related to Oil and Gas Properties and natural resources, generally. As a consequence, their interests may from time to time conflict with the interests of the Limited Partnership. The directors of the General Partner are required by law to act honestly and in good faith

with a view to the best interests of the General Partner and to disclose any interest that they may have in any conflicting project or opportunity of the General Partner. If a conflict of interest arises at a meeting of the Board of Directors of the General Partner, any director in a conflict will disclose his interest and act in accordance with applicable corporate law.

Under the terms of the Partnership Agreement, the General Partner or any Affiliate thereof may engage in or hold an interest in any other business, venture, investment or activity, whether or not similar to or in competition with the business of the Limited Partnership, and will not be liable to account therefor to the Limited Partnership or any partner. The Limited Partners specifically acknowledge that such Affiliates and their respective directors and officers may be and are permitted to be engaged in and continue in other businesses in which the Limited Partnership will not have an interest and which may be competitive with the activities of the Limited Partnership and, without limitation, Affiliates of the General Partner and their respective directors and officers may be and are permitted to act as partners, shareholders, directors, officers, employees, consultants, joint venturers, advisors or in any other capacity or role whatsoever of, with or to other entities, including limited partnerships, which may be engaged in all or some of the aspects of the affairs of the Limited Partnership and may be in competition with the Limited Partnership.

Certain of the directors and officers of the General Partner are directors, officers and shareholders of N.A. Energy Resources Corp., which intends to or may enter into project management, funding, and property management, acquisition and disposition agreements with the General Partner, and are also directors and/or officers of other Affiliates of the General Partner and their Affiliates. In addition, certain Affiliates of the General Partner may, where not prohibited by applicable securities regulation, act as Selling Agents and receive fees and commissions with respect thereto. The General Partner may from time to time cause the Limited Partnership to enter into other contractual arrangements with N.A. Energy Resources Corp. and/or its Affiliates and/or their respective directors, officers and employees for the provision of certain services and for compensation regarding such services.

Subject to the General Partner's express obligations under the Partnership Agreement, by the terms of the Partnership Agreement, the Limited Partners agree that the activities and facts as set forth in the paragraph above shall not constitute a conflict of interest or breach of fiduciary duty to the Limited Partnership or the Limited Partners, the Limited Partners consent to such activities and the Limited Partners waive, relinquish and renounce any right to participate in, and any other claim whatsoever with respect to, any such activities. The Limited Partners further agree that neither the General Partner, an Affiliate thereof, nor any other party referred to above will be required to account to the Limited Partnership or any Limited Partner for any benefit or profit derived from any such activities or from such similar or competing activity or any transactions relating thereto by reason of any conflict of interest or the fiduciary relationship created by virtue of the position of the General Partner hereunder unless such activity is contrary to the express terms of the Partnership Agreement.

#### *Asset Management Fee*

The asset management fee is based on the General Partner's estimate of the fair market value of the assets of the Partnership which may be too high, in which case the management fees will be higher than they should be.

#### *Negative Effects of Indemnity of General Partner*

The Partnership Agreement provides that the Limited Partnership will indemnify the General Partner, its officers, directors, employees and agents against liability for actions related to their activities on behalf of the Limited Partnership. The General Partner and its officers, directors, employees and agent are aware that since they may be indemnified against liability for actions related their activities on behalf of the Limited Partnership, they may be less motivated to meet the standards required by law to properly carry out such activities, which could have a negative impact on the operating results of the Limited Partnership. Also, if the General Partner or any of its officers, directors, employees or agent files a claim against the Limited Partner for indemnification, the associated costs could have a negative effect on the operating results of the Limited Partnership.



### *Loan Facilities*

The interest expense and banking fees incurred in respect of any loan facility that may be secured by the Limited Partnership may exceed the incremental capital gains and tax benefits generated by the incremental investment of the Limited Partnership in any Oil and Gas Properties. There can be no assurance that the borrowing strategy employed by the Limited Partnership will enhance returns.

### *Shortfalls*

The Limited Partnership may not generate sufficient financing to meet all of its expenses and liabilities as they come due. Under the terms of the Partnership Agreement, Limited Partners are liable only to the extent of their capital contributions plus any additional voluntary capital contributions. However, there is a risk that the Limited Partnership may lose its assets and that the Limited Partners may therefore lose their investment.

### *Possible Loss of Limited Liability of Limited Partners*

Limited Partners may lose their limited liability in certain circumstances, including by taking part in the control of the business of the Limited Partnership. The principles of law in various Canadian jurisdictions recognizing the limited liability of limited partners of limited partnerships subsisting under the laws of one province but carrying on business in another province or territory have not been authoritatively established. If limited liability is lost, there is a risk that Limited Partners may be liable beyond their contribution and share of undistributed Net Income of the Limited Partnership in the event of judgment on a claim in an amount exceeding the sum of the net assets of the General Partner and the net assets of the Limited Partnership.

Limited Partners remain liable to return to the Limited Partnership such part of any amount distributed to them as may be necessary to restore the capital of the Limited Partnership to the amount existing before such distribution if, as a result of any such distribution, the capital of the Limited Partnership is reduced and the Limited Partnership is unable to pay its debts as they become due.

### *Tax Matters*

The Canadian federal and provincial income tax treatment of limited partnerships and their business activities has a material effect on the advisability of investing in the Units. The consequences of the holding, disposition and return on investment of a Unit to a Limited Partner are subject to changes in Canadian federal and provincial income tax laws. There can be no assurance that existing income tax laws and regulations will not be changed, interpreted or applied in a manner which will negatively alter the tax consequences to an investor of acquiring, holding and disposing of a Unit. In addition, ownership of a Unit is restricted to persons who are residents of Canada for income tax purposes. While the Limited Partnership will obtain representations, warranties and covenants from each limited partner as to their status as a Canadian resident at all times while they are a Limited Partner, there is no assurance that a Limited Partner will not become a non-resident during the term of the Limited Partnership. Any Limited Partner becoming a non-resident could result in adverse tax consequences to the Limited Partnership and the other Limited Partners.

A Limited Partner is required to include his, her or its share of income from the Limited Partnership in computing his, her or its income for income tax purposes for each taxation year. It is possible that a Limited Partner's share of the income of the Limited Partnership will exceed the amount of cash distributions, if any, from the Limited Partnership to the Limited Partner in a taxation year. The General Partner currently intends to invest funds not immediately required for the business or administration of the Limited Partnership in short term investments affording appropriate safety of principal, including without limitation, government obligations, certificates of deposit, short term debt obligations, first mortgages, first mortgage backed securities and interest-bearing accounts which may create Limited Partnership income.

## Risks Relating to Our Business

### *Reliance on Estimates*

The information used by the Limited Partnership to evaluate Oil and Gas Properties is based on estimates that involve a great deal of uncertainty. The process of estimating oil and gas reserves is complex and requires significant decisions and assumptions to be made in evaluating the reliability of available geological, geophysical, engineering and economic data for each property. Different engineers may make different estimates of reserves, cash flows or other variables based on the same available data.

Geologic and engineering data is used to determine the probability that a reservoir of oil and gas exists at a particular location, and whether or not oil and gas may be recoverable from it. Recoverability is ultimately subject to the accuracy of such data including, but not limited to, the geological characteristics of the reservoir; its structure, pressure and fluid properties; the size and boundaries of the drainage area; and the anticipated rate of pressure depletion. The evaluation of these and other factors is based upon available seismic data, computer modeling, well tests and information obtained from the production of oil and gas on adjacent or similar properties. Still, actual recovery from a reservoir may differ from estimated recovery.

Estimates also include numerous assumptions relating to operating conditions and economic factors, including the price at which recovered oil and gas can be sold; the costs of recovery; future operating costs; development costs; workover and remedial costs, which are costs associated with operations on a producing well to restore or increase production; prevailing environmental conditions associated with drilling and production sites; the availability of enhanced recovery techniques; the ability to transport oil and gas to markets; and governmental and other regulatory factors such as taxes and environmental laws. Economic factors beyond the control of the Limited Partnership, such as interest rates and exchange rates, will also impact the value of such estimates. Some of these assumptions are inherently subjective, and the accuracy of estimates relies in part on the ability of the management team, engineers and other advisors of the Limited Partnership to make accurate assumptions. As a result, there is no guarantee that any investment made by the Limited Partnership in an Oil and Gas Property will be successful since the associated estimates will be inherently imprecise.

### *Volatility of Oil and Gas Prices*

We anticipate that the business of the Limited Partnership will be primarily determined by oil and gas prices in North America and abroad. Volatility or weakness in oil and gas prices (or the perception that oil and gas prices will decrease) may result in the drilling of fewer new wells or lower production spending on existing wells. Significant declines in prices for oil and gas could harm the financial condition of the Limited Partnership, its results of operations and the quantities of reserves recoverable on an economic basis. A decline in oil and gas prices or a reduction in drilling activities could materially and adversely affect the business of the Limited Partnership and could seriously decrease its revenues or prevent it from generating any revenues.

### *Premiums for Interests in Oil and Gas Properties*

Interests in Oil and Gas Properties may be sold to the Limited Partnership at prices that exceed the market prices of similar interests. Competition for interests in Oil and Gas Properties may increase the premium at which such interests are available for purchase by the Limited Partnership.

### *Limited Availability of Interests in Oil and Gas Properties*

There can be no assurance that the General Partner, on behalf of the Limited Partnership, will be able to identify a sufficient number of owners or operators of Oil and Gas Properties willing to sell interests to the Limited Partnership to invest all the net proceeds raised by this Offering. If the net proceeds are not

invested or are returned to Limited Partners, the amount of deductions the Limited Partners will be able to claim for income tax purposes will correspondingly be reduced.

#### *Portfolio Volatility Due to Investment Concentration*

The Limited Partnership intends to invest the net proceeds of this offering primarily to acquire interests in producing Oil and Gas Properties in Canada and the United States. Such interests may include Working Interests, Mineral Interests, Royalty Interests or Overriding Royalty Interests. However, such interests may also include interests in non-producing development stage Oil and Gas Properties. A concentrated investment by the Limited Partnership in any one of these types of investments may result in the value of the Units fluctuating to a greater degree than if the Limited Partnership invested in a broader spectrum of Oil and Gas Properties. While an investment strategy with less emphasis on mineral development might reduce the potential for or the extent of fluctuations in the value of the Units, such an investment strategy would not provide the potential tax benefits to Investors which are among the Limited Partnership's principal investment objectives.

The value of each Unit will vary in accordance with the value of the interests in Oil and Gas Properties acquired by the Limited Partnership, and may be affected by such factors as investor demand, resale restrictions, general market trends, regulatory restrictions and commodity prices. Fluctuations in the market values of such interests and in the returns provided by them may occur for a number of reasons beyond the control of the General Partner or the Limited Partnership, and there is no assurance that an adequate market will exist for any interests acquired by the Limited Partnership or that those interests will generate any returns. The investment involves a high degree of risk and should only be considered by persons who can afford the loss of their investment.

#### *Illiquidity of Oil and Gas Property Investments*

Many of the Oil and Gas Properties acquired by the Limited Partnership may be relatively illiquid and may decline in value, depending on general market trends.

#### *Operational Risks*

The business of exploring for oil and gas involves a high degree of risk. Few Oil and Gas Properties that are explored are ultimately developed into producing properties. Also, oil and gas wells on producing properties are at risk of disruption or exhaustion. When investing in any Oil and Gas Property, the Limited Partnership may not know if the property contains commercial quantities of oil or gas or if its production will be sustainable.

Unusual or unexpected formations, formation pressures, fires, explosions, power outages, labour disruptions, flooding, cave-ins, landslides and the inability of an Oil and Gas Property operator to obtain suitable machinery, equipment or labour are all risks which may occur during the development of oil and gas reserves. Substantial expenditures are required in order to establish such reserves through drilling, and to develop production, gathering or processing facilities and infrastructure at any site chosen for oil or gas production. Although substantial benefits may be derived from the discovery of major oil or gas reserves, no assurance can be given that oil or gas will be discovered in sufficient quantities by the operator of any Oil and Gas Property in which the Limited Partnership may invest to justify commercial operations or that such operators will be able to obtain the funds required to develop the property on a timely basis or at all.

The economics of developing and operating Oil and Gas Properties is affected by many factors, including the cost of operations, variations in the grade of oil or gas obtained, fluctuations in the prices and demand for oil and gas, costs of processing equipment and such other factors as aboriginal land claims and government regulations, including regulations relating to royalties, allowable production, importing and exporting and environmental protection. There is no certainty that any development expenditures made by an operator of any Oil and Gas Property will result in discoveries of commercial quantities of oil and gas.

### *Market Risks*

The marketability of any oil and gas that may be produced on an Oil and Gas Property in which the Limited Partnership has invested will be affected by numerous factors beyond the control of the Limited Partnership or any operator operating on its behalf. These factors include market fluctuations in the price of oil and gas, the proximity and capacity of oil and gas markets and processing equipment, the availability of labour and related infrastructures, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, the importing and exporting of materials and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one or a combination of these factors could result in the Limited Partners not receiving an adequate return on their investment, if any.

### *Uninsurable Risks*

Oil and gas operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations, rock bursts, cave-ins, fires, explosions, blow-outs, formations of abnormal pressure, flooding, labour disputes or other conditions may occur from time to time. An operator of an Oil and Gas Property may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on such operator's financial position and, consequentially, on the financial position of the Limited Partnership.

### *No Assurance of Title or Boundaries, or of Access*

While an operator of an Oil and Gas Property may have registered its oil and gas interests with the appropriate authorities and filed all pertinent information according to industry standards, this cannot be construed as a guarantee of title. In addition, an operator's Oil and Gas Properties may consist of recorded oil and gas leases or licenses which have not been legally surveyed, and therefore, the precise boundaries and locations of such claims or leases may be doubtful or challengeable. Oil and Gas Properties may also be subject to prior unregistered agreements or transfers or native land claims, and an operator's title may be affected by these and other undetected defects. Consequently, any interest of the Limited Partnership in such Oil and Gas Properties may be similarly affected.

### *Government Regulations*

The operations of an Oil and Gas Property operator are subject to government legislation, policies and controls relating to prospecting, land use, trade, environmental protection, taxation, rates of exchange, returns of capital and labour relations.

An operator's Oil and Gas Property interests may be affected to varying degrees by the extent of political and economic stability in the jurisdiction of such properties and by changes in regulations or shifts in political or economic conditions beyond the control of the operator. Such factors may adversely affect the operator's business and/or its Oil and Gas Property holdings.

Although an operator's development activities may be carried out in accordance with all applicable rules and regulations at any point in time, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail the production or development of the operator's operations. Amendments to current laws and regulations governing the operations of an Oil and Gas Property operator or the more stringent enforcement of such laws and regulations could have a substantial adverse impact on the financial results of the operator, and therefore the Limited Partnership as well.

### *Environmental Regulation*

The operations of an Oil and Gas Property operator may be subject to environmental regulations enacted by government agencies from time to time. Environmental legislation provides for restrictions and

prohibitions on spills, releases or emissions of various substances produced in association with certain oil and gas operations that could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties on the operator. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which has led to stricter standards, enforcement and greater fines and penalties for non-compliance. The costs of compliance with government regulations may reduce the profitability of an operator's operations and, consequently, reduce the profitability of the interests of the Limited Partnership. In addition, under various environmental legislation, the Limited Partnership could become liable for the costs of removal or remediation of certain hazardous or toxic substances that may be released on or in one or more of the Oil and Gas Properties.

#### *Competition from Larger Oil and Gas Companies*

The development and production of oil and gas is a highly competitive business. Other oil and gas companies will compete with the Limited Partnership by bidding for Oil and Gas Properties and services that it will need to operate successfully. As prices of oil and gas on the commodities markets rise, it is expected that this competition will become increasingly intense. Additionally, other companies engaged the exploration and production of oil and gas may compete with the Limited Partnership from time to time in obtaining capital from investors and lenders.

Oil and Gas Properties have limited lives and, as a result, the Limited Partnership may seek to alter and expand its operations through the acquisition of new interests. However, the available supply of desirable Oil and Gas Properties is limited in North America. The major oil and gas companies are often better positioned to obtain the rights for any Oil and Gas Properties for which the Limited Partnership may compete.

Competitors of the Limited Partnership include large, foreign-owned companies, which, in particular, may have a competitive advantage because of their access to greater resources and the fact that they conduct their own oil and gas refining and marketing operations. Oil and natural gas development activities are dependent on the availability of drilling and related equipment, transportation, power and technical support in particular areas and operators of any Oil and Gas Properties in which we invest may have limited access to these facilities. Shortages and/or the unavailability of necessary equipment or other facilities will impair the activities of such operators, increase their costs and reduce the value of any investment by the Limited Partnership.

If the Limited Partnership is unable to adequately address its competition, including, but not limited to, finding ways to secure profitable producing Oil and Gas Properties on terms that it considers acceptable, the ability of the Limited Partnership to earn revenues could suffer.

#### *Failure to Viably Develop Oil and Gas Properties*

On a long-term basis, the Limited Partnership must acquire interests in producing Oil and Gas Properties in order to become profitable. The Limited Partnership's success depends on its ability to locate, identify and acquire productive property interests, find markets for any oil and natural gas developed on such properties, and effectively distribute the oil and gas into those markets.

Any oil and gas development activities of the Limited Partnership may not be economically viable because of both unproductive Oil and Gas Properties and properties that are productive but do not generate sufficient revenues to return a profit. Investing in an Oil and Gas Property does not ensure that the investment will be profitable or that the Limited Partnership will recover its investment because the costs of drilling and operating any wells on the property may exceed the amount of oil and gas extracted from such wells. In addition, drilling hazards or environmental damage could greatly increase the cost of operating on any property, and various field conditions could adversely affect the production from successful wells. If developmental costs exceed the Limited Partnership's estimates or if the development efforts of the Limited Partnership do not produce results which meet its expectations, such efforts may not be commercially successful.

### *Risk of Litigation*

Although the Limited Partnership is not currently involved in any litigation, the nature of its operations exposes the Limited Partnership to possible future litigation claims. There is risk that any claim could be adversely decided against the Limited Partnership, and this could harm its financial condition. Similarly, the costs associated with defending against any claim could dramatically increase the expenses of an investment in any Oil and Gas Property, as litigation is often very expensive. Possible litigation matters may include, but are not limited to, environmental damage and remediation, workers' compensation, insurance coverage, property rights and easements and the maintenance of oil and gas leases. Should the Limited Partnership become involved in any litigation, it will be forced to direct its limited resources to defend against or prosecute the claim, which could impact the profitability of the Limited Partnership and lower the value of any investment in the Units.

### *Barriers to Marketing Oil and Gas*

Crude oil, natural gas, condensate and other oil and gas products are generally sold to other oil and gas companies, government agencies or companies in other industries. If the Limited Partnership is unable to sell any oil and gas produced on any Oil and Gas Properties in which it acquires an interest to these entities, it may experience difficulty generating revenues. In addition, demand or transportation limitations, such as the absence of pipeline facilities, often affect the marketability of oil and gas, and sales of any oil and gas could therefore be delayed for extended periods until such limitations are corrected or until suitable transportation facilities are constructed.

### *Currency Risk*

Certain of the payments owing pursuant to agreements entered into by the General Partner on behalf of the Partnership for Oil and Gas Properties will be made in U.S. dollars. Accordingly, the Partnership may be exposed to exchange rate risk based on the fluctuation in the exchange rate between U.S. dollars and Canadian dollars.

## **Item 9: Reporting Obligations**

### 9.1 Annual or On-going Requirements

Since the Units are not quoted on any exchange and the Limited Partnership is not considered a reporting issuer, the Limited Partnership is not subject to reporting and other requirements under applicable securities legislation. However, under the terms of the Partnership Agreement, the General Partner (or its agent on its behalf) is responsible for the preparation of annual financial statements of the Limited Partnership as at the end of each Fiscal Year. The General Partner, or its agent on its behalf, will distribute a copy of such annual financial statements to each Limited Partner within ninety (90) days after the end of each Fiscal Year and will provide each Limited Partner with annual income tax information for each Fiscal Year by March 31 of the following year to assist in declaring his share of the Limited Partnership income; provided however, that each Limited Partner will be solely responsible for filing all income tax returns and reporting its share of the Limited Partnership income or loss. All financial statements will be prepared in accordance with international financial reporting standards applied on a consistent basis.

Within 120 days after the end of its financial years, the Limited Partnership is required to file its audited financial statements with the regulators in Alberta and Ontario and to make such statements reasonably available to its security holders.

### 9.2 Auditors of the Limited Partnership

The auditor for the Limited Partnership is Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia.

## **Item 10: Resale Restrictions**

### 10.1 General Statement

The Units will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Units unless you comply with an exemption from the prospectus and registration requirements under applicable securities legislation. As at the date of this Offering Memorandum, it is not anticipated that the Units will ever be listed or quoted on any stock exchange or marketplace and accordingly, the restriction on trading may never expire.

### Transfer and Assignment of Units, Generally

Pursuant to the terms of the Partnership Agreement, a Unit may be assigned and transferred by a Limited Partner or his agent duly authorized in writing without restriction and no such transfer or assignment will require any approval or consent from the General Partner or any other Limited Partner. However, the transferor must comply with the applicable securities legislation and the following conditions must have been satisfied:

- (a) the transferee has executed, in a form acceptable to the Registrar and Transfer Agent, a transfer form;
- (b) the transferee agrees to assume the obligations of the transferor that pertain to the transferred Unit;
- (c) the transferee acquires the assigning Limited Partner's capital account;
- (d) the transferee has paid such costs, expenses and disbursements, including legal fees, as are reasonably incurred by the Limited Partnership by reason of the transfer;
- (e) the transferor's Unit Certificate or deposit receipt issued pursuant to the Partnership Agreement for the Units being transferred is surrendered to the Registrar and Transfer Agent; and
- (f) such other requirements as may reasonably be required by the Registrar and Transfer Agent are satisfied;

provided that a transferee of a Unit will not become a Limited Partner in respect of that Unit until all filings and recordings required by law to validly effect a transfer have been duly made.

Units held electronically through the NCI system of CDS will be purchased, transferred and surrendered for redemption through a CDS Participant. All rights of beneficial Limited Partners who hold Units in CDS must be exercised through, and all payments or other property to which such Limited Partners are entitled will be made or delivered by CDS or the CDS Participant through which the Limited Partner holds such Units. Except in certain limited circumstances, a Limited Partner beneficially holding Units through the NCI system will not be entitled to a certificate or other instrument from the Limited Partnership or the Registrar and Transfer Agent evidencing that Limited Partner's interest in or ownership of Units, nor, to the extent applicable, will such Limited Partner be shown on the records maintained by CDS, except through an agent who is a CDS Participant. CDS will be responsible for establishing and maintaining accounts for CDS Participants having interests in Units, and sales of interests in Units can only be completed through CDS Participants.

When a transferee is entitled to become a Limited Partner pursuant to the provisions of the Partnership Agreement, the General Partner will be authorized to admit such transferee to the Limited Partnership as a Limited Partner and the Limited Partners hereby consent to the admission of, and will admit, the transferee to the Limited Partnership as a Limited Partner, without further act of the Limited Partners. The General Partner, or the Registrar and Transfer Agent if not the General Partner, will:

- (a) record in the Register any such assignment and transfer;
- (b) make such filings and cause to be made such recordings as are required by law;
- (c) forward notice of the transfer to the transferee; and
- (d) for Units not to be held electronically through the NCI system of CDS, issue and forward a Unit Certificate to the transferee in respect of the transferred Units.

#### Transfer of Fractions of Units

No transfer of a fraction of a Unit will be permitted.

#### Liability on Transfer

When an assignment and transfer of any Unit is completed and the transferee is registered as a Limited Partner, the transferor of that Unit will thereupon be relieved of all obligations and liabilities relating to his Unit, including the obligations and liabilities under the Partnership Agreement to the extent permitted by law, and the transferee will assume all such obligations and liabilities.

#### Incapacity, Death, Insolvency or Bankruptcy

Where a person becomes entitled to a Unit on the incapacity, death, insolvency or bankruptcy of a Limited Partner, or otherwise by operation of law, in addition to the requirements of Section 5.7 of the Partnership Agreement (Transfer of Units), that person will not be recorded as or become a Limited Partner and will not receive a Unit Certificate or a deposit receipt therefor, as the case may be, until:

- (a) the person produces evidence satisfactory to the General Partner of such entitlement;
- (b) the person has agreed in writing to be bound by the terms of the Partnership Agreement and to assume the obligations of a Limited Partner under the Partnership Agreement; and
- (c) the person has delivered such other evidence, approvals and consents in respect of such entitlement as the General Partner may require and as may be required by law or by the Partnership Agreement.

#### 10.2 Restricted Period

##### Resale Restrictions – British Columbia, Alberta, Saskatchewan, Québec, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador Purchasers

Unless permitted under securities legislation, you cannot trade the Units before the date that is four (4) months and a day after the date the Limited Partnership becomes a reporting issuer in any province or territory of Canada. The Limited Partnership is not currently a reporting issuer in any of the Provinces or Territories of Canada and does not intend to become reporting in any Province or Territories of Canada.

##### Resale Restrictions – Manitoba Purchasers

Unless permitted under applicable securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless (a) the Limited Partnership has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or (b) you have held the securities for at least 12 months. The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.



## **Item 11: Purchasers' Rights**

Securities legislation in certain of the Provinces of Canada requires investors to be provided with a remedy for rescission or damages, or both, in addition to any other right that they may have at law, where an offering memorandum and any amendment to it contains a misrepresentation. These remedies must be exercised by the investor within the time limits prescribed by the applicable securities legislation. Investors should refer to the applicable provisions of the securities legislation for the complete text of these rights. If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

The applicable statutory rights are available to an investor whether or not the investor relied on the misrepresentation. However, there are various defenses available to the persons or companies an investor has a right to sue, including if the investor knew of the misrepresentation when the investor purchased the securities.

The following summaries are subject to the express provisions of the securities laws of the applicable Province and reference is made thereto for the complete text of such provisions. The rights of action described below are in addition to and without derogation from any right or remedy available at law to the investor and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defenses contained therein.

If you intend to rely on the rights described below, you must do so within strict time limitations, which are described below.

### 11.1 Two Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice by fax at (604) 674-5113 to the Limited Partnership by midnight on the second (2nd) business day after you sign a Subscription Agreement to buy the securities.

### Rights for Investors in British Columbia and Alberta

Securities legislation in British Columbia and Alberta provides that every investor in securities pursuant to this Offering Memorandum shall have, in addition to any other rights they may have at law, a right of action for damages or rescission, against the Limited Partnership and every person who signs the Offering Memorandum or any amendment thereto, in the event that the Offering Memorandum or any amendment thereto contains a misrepresentation. However, such rights must be exercised within prescribed time limits. Investors should refer to the applicable provisions of the British Columbia or Alberta securities legislation for particulars of those rights or consult with a lawyer. For these purposes, a "misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated, or necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made. A "material fact" means any fact that significantly affects or could reasonably be expected to significantly affect the market price or the value of the Units.

In British Columbia and Alberta, no action shall be commenced to enforce a statutory right of action unless the right is exercised:

- (a) in the case of rescission, on notice to the Limited Partnership not later than 180 days from the day of the transaction that gave rise to the cause of action, or
- (b) in the case of damages, on notice given to the Limited Partnership not later than
  - (i) 180 days from the day the investor first had knowledge of the facts giving rise to the cause of action, or
  - (ii) three years from the day of the transaction that gave rise to the cause of action.

Reference is made to the *Securities Act* (British Columbia) and the *Securities Act* (Alberta) for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the *Securities Act* (British Columbia) or the *Securities Act* (Alberta), as applicable.

#### Rights for Investors in Saskatchewan

*The Securities Act*, 1988 (Saskatchewan), as amended, provides that, subject to certain limitations, where this Offering Memorandum contains a misrepresentation (as defined in *The Securities Act*, 1988 (Saskatchewan)), an investor who purchases a security covered by this Offering Memorandum, has a right of action for damages against the issuer of the security, the promoters and directors of the issuer, every person or company whose consent has been filed with the Offering Memorandum (but only with respect to reports, opinions or statements that have been made by them), every person who signed the Offering Memorandum and every person who or company that sells the securities on behalf of the issuer under the Offering Memorandum.

Alternatively, where the investor purchased the security from the issuer, the investor may elect to exercise a right of rescission against the issuer.

In addition, subject to certain limitations, where an individual makes a verbal statement to a prospective investor that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the investor has a right of action for damages against the individual who made the verbal statement.

No action may be commenced to enforce any of the foregoing rights:

- (a) in the case of rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; and
- (b) in the case of any other action, other than an action for rescission, more than the earlier of
  - (i) one (1) year after the investor first had knowledge of the facts giving rise to the cause of action, or
  - (ii) six (6) years after the date of the transaction that gave rise to the cause of action.

#### Rights for Investors in Ontario

Securities legislation in Ontario provides that, in addition to any other rights an investor may have at law, in the event that this Offering Memorandum, together with any amendments thereto, is delivered to an investor of Units resident in Ontario and contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made, the investor will have a right of action against the Limited Partnership for damages or rescission. Purchasers should refer to the applicable provisions of the Ontario securities legislation for particulars of those rights or consult with a lawyer. A “material fact” means any fact that significantly affects or would reasonably be expected to have a significant effect on the market price of the value of the Units.

In Ontario, no action shall be commenced to enforce a statutory right of action unless the right is exercised:

- (a) in the case of rescission, not later than 180 days from the date of the transaction that gave rise to the cause of action, or

- (b) in the case of damages, not later than the earlier of:
  - (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or
  - (ii) three years after the date of the transaction that gave rise to the cause of action.

#### Rights for Investors in Nova Scotia

Section 65 of *The Securities Act* (Nova Scotia) (the “**NS Act**”) requires the Limited Partnership to notify investors purchasing Units pursuant to this Offering Memorandum in the Province of Nova Scotia that they may have the following rights of rescission or damages.

In the event that the Offering Memorandum, together with any amendments thereto, or any “advertising or sales literature” (as defined in the NS Act) delivered to an investor, contains any untrue statement of material fact or omits to state a material fact necessary in order to make any statement not misleading in light of circumstances in which it was made (herein called a “Misrepresentation”) and it is a Misrepresentation on the date of investment, an investor to whom the Offering Memorandum and any amendment thereto, or any “advertising or sales literature” (as defined in the NS Act), has been delivered on behalf of the Limited Partnership and who purchases Units shall be deemed to have relied on such Misrepresentation and such investor shall have a right of action against the Limited Partnership for damages, or so long as such investor is the owner of such Units at his, her or its election, for rescission.

For investors this right is exercisable if an action is commenced to enforce this right within 120 days after the date on which payment was made for the Units by the investors or after the date on which the initial payment for the Units was made by the investor where payments subsequent to the initial payment are made by the investor pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

These rights are intended to correspond with the rights against a seller of securities provided in Section 138 of the NS Act and the Rules thereto and are subject to defences contained therein such that:

- (a) the Limited Partnership will not be held liable if the investor purchased the Units with knowledge of the Misrepresentation;
- (b) in an action for damages, the Limited Partnership will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and
- (c) in no case will the amount recoverable by an Investor exceed the price at which the Units were sold to the investor.

#### Rights for Investors in New Brunswick

If this Offering Memorandum, together with any amendments thereto, is delivered to a prospective investor of Units, and this Offering Memorandum contains a “misrepresentation” which was a misrepresentation at the time of the purchase of the Units, the investor will have a right of action against the Limited Partnership for damages, or while still the owner of the Units, for rescission, in which case, if the investor elects to exercise the right of rescission, the investor will have no right of action for damages. However, such rights must be exercised within prescribed time limits. Investors should refer to the applicable provisions of the New Brunswick securities legislation for particulars of those rights or consult with a lawyer. For these purposes, a “misrepresentation” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated, or necessary to prevent a statement that is made from being misleading in the circumstances in which it was made. A “material fact” means any fact that would reasonably be expected to have a significant effect on the market price or the value of the Units.

The Limited Partnership will not be liable if it proves that the investor purchased the securities with knowledge of the misrepresentation. In the case of an action for damages, the Limited Partnership will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon and in no case will the amount recoverable in any action exceed the price at which the securities were sold to the investor.

No action may be commenced to enforce any of the foregoing rights:

- (a) in the case of rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any other action, other than an action for rescission, the earlier of (i) one year after the investor first had knowledge of the facts giving rise to the cause of action, and (ii) six (6) years after the date of the transaction that gave rise to the cause of action.

The right of action for rescission or damages is in addition to and without derogation from any other right the investor may have at law.

#### Rights for Investors in Newfoundland and Labrador

If this Offering Memorandum, together with any amendments thereto delivered to an investor resident in Newfoundland and Labrador before the issue of Limited Partnership to such investor, contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order make any statement in it not misleading in light of the circumstances in which it was made (a "Misrepresentation") and it was a Misrepresentation at the time of the purchase of the Units, an investor to whom this Offering Memorandum, or any amendment hereto, was delivered and who purchases Units shall have, subject as hereinafter provided, a right of action against the Limited Partnership either for damages or, alternatively, while still the owner of the Units purchased by the investor, for rescission, in which case, if the investor elects to exercise the right of rescission, the investor will have no right of action for damages against the Limited Partnership, provided that:

- (a) the right of action for rescission or damages will be exercisable only if the investor gives notice to the Limited Partnership not later than 90 days after the date on which the payment is made for the Units that the investor is exercising this right;
- (b) the Limited Partnership will not be liable if it proved that the investor purchased the Units with knowledge of the Misrepresentation;
- (c) in the case of an action for damages, the Limited Partnership will not be liable for all or any portion of those damages that it proves does not represent the depreciation in value of the Units as a result of the Misrepresentations relied upon; and
- (d) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the investor plus accrued interest.

#### Contractual Rights of Action for Investors in Manitoba, Québec and Prince Edward Island

If there is a misrepresentation in the Offering Memorandum, investors resident in Manitoba, Québec and Prince Edward Island will have, in addition to any statutory rights that may be available to them, a contractual right to sue the Limited Partnership:

- (a) to cancel the investors' agreement to buy the Units, or
- (b) for damages.

This contractual right to sue is available to the investor whether or not the investor relied on the misrepresentation. However, in an action for damages, the amount the investor may recover will not exceed the price that it paid for its securities and will not include any part of the damages that the Limited Partnership proves does not represent the depreciation in value of the securities resulting from the misrepresentation. The Limited Partnership has a defence if it proves that the investor knew of the misrepresentation when the investor purchased the securities.

If an investor intends to rely on the rights described in (a) or (b) above, it must do so within strict time limitations. An investor must commence its action to cancel the agreement within 180 days after it signed the agreement to purchase the securities. The investor must commence its action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after it signed the agreement purchase the securities.

**Item 12: Financial Statements**

The audited financial statements of each of the Limited Partnership and General Partner for the fiscal year ended December 31, 2016.

**PERMEX PETROLEUM LIMITED PARTNERSHIP**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2016 AND 2015**

## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
Permex Petroleum Limited Partnership

We have audited the accompanying financial statements of Permex Petroleum Limited Partnership, which comprise the statement of financial position as at December 31, 2016, and the statements of loss and comprehensive loss, partners' capital, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of Permex Petroleum Limited Partnership as at December 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### *Emphasis of Matter*

Without qualifying our opinion, we draw attention to Note 2 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Permex Petroleum Limited Partnership's ability to continue as a going concern.





***Other Matters***

The financial statements of Permex Petroleum Limited Partnership for the prior year ended December 31, 2015 were audited by another auditor who expressed an unmodified opinion on those statements on May 2, 2016.

As part of our audit of the 2016 financial statements, we also audited the adjustments described in Note 18 that were applied to amend the 2015 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2015 financial statements of the Limited Partnership other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2015 financial statements taken as a whole.

**“DAVIDSON & COMPANY LLP”**

Vancouver, Canada

Chartered Professional Accountants

May 19, 2017

**PERMEX PETROLEUM LIMITED PARTNERSHIP**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31,**

	Note	2016	2015
	18		(Restated)
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and other receivables	5	\$ 54,670	\$ 35,092
Amounts due from related parties	9	13,819	-
		68,489	35,092
<b>Non-current assets</b>			
Loans to related party	9	397,064	327,725
Property and equipment	6	3,803,405	3,505,592
Reclamation deposits	6	100,500	103,800
		4,300,969	3,937,117
<b>Total assets</b>		<b>\$ 4,369,458</b>	<b>\$ 3,972,209</b>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>			
<b>Current liabilities</b>			
Bank indebtedness		\$ 34,925	\$ 55,942
Trade and other payables	7	303,010	107,265
Amounts due to related parties	9	142,722	62,074
Loan payable	8	602,562	526,740
		1,083,219	752,021
<b>Non-current liabilities</b>			
Decommissioning liabilities	10	458,079	464,952
<b>Total liabilities</b>		<b>1,541,298</b>	<b>1,216,973</b>
<b>Partners' capital</b>		<b>2,828,160</b>	<b>2,755,236</b>
<b>Total liabilities and partners' capital</b>		<b>\$ 4,369,458</b>	<b>\$ 3,972,209</b>

**Commitments** (Note 16)

**Events after the reporting period** (Note 19)

The financial statements were authorized for issue by the board of directors of Permex Petroleum Operating Ltd. as the General Partner on May 19, 2017 and were signed on its behalf by:



Director



Director

The accompanying notes are an integral part of these financial statements.

**PERMEX PETROLEUM LIMITED PARTNERSHIP**  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**YEARS ENDED DECEMBER 31,**

	Note	2016	2015
	18		(Restated)
<b>Revenue</b>			
Oil and gas sales	\$	305,063	\$ 135,461
Miscellaneous revenue		27,601	-
		332,664	135,461
<b>Direct operating expenses</b>			
Producing and operating		(350,152)	(114,592)
Royalties		(15,050)	(2,821)
		(32,538)	18,048
<b>Expenses</b>			
Accounting and audit		65,124	66,140
Accretion of decommissioning liabilities	10	12,434	-
Bank charges and interest		15,237	3,482
Consulting		11,415	32,021
Depletion and depreciation	6	46,318	23,667
Management fees	9	-	63,784
Marketing and promotion		44,365	90,455
Legal fees		48,370	124,868
Office and miscellaneous		57,528	99,634
Rent		48,236	49,243
Travel		20,936	55,770
		(369,963)	(609,064)
Finance costs	8	(75,822)	(26,740)
Foreign currency exchange gain (loss)		(2,823)	88,676
Loss on disposal of property and equipment	6	(19,579)	-
Write off of receivables	5	(5,623)	-
		(103,847)	61,936
<b>Loss and comprehensive loss for the year</b>	\$	(506,348)	\$ (529,080)

The accompanying notes are an integral part of these financial statements.

**PERMEX PETROLEUM LIMITED PARTNERSHIP**  
**STATEMENTS OF PARTNERS' CAPITAL**

	Note	Number of units	Total partners' capital
Balance, December 31, 2014		618	\$ 293,910
Issuance of units	11	3,396	3,394,000
Unit subscription proceeds	11	-	10,000
Unit issuance costs	11	-	(301,284)
Distributions	11	-	(112,310)
Loss for the year		-	(529,080)
Balance, December 31, 2015 (restated)		4,014	\$ 2,755,236
Issuance of units	11	710	700,000
Unit subscription proceeds	11	-	10,000
Unit issuance costs	11	-	(47,052)
Distributions	11	-	(83,676)
Loss for the year		-	(506,348)
Balance, December 31, 2016		4,724	\$ 2,828,160

The accompanying notes are an integral part of these financial statements.

**PERMEX PETROLEUM LIMITED PARTNERSHIP**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31,**

	Note	2016	2015
	18		(Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss for the year		\$ (506,348)	\$ (529,080)
Items not affecting cash:			
Finance costs		75,822	26,740
Depletion and depreciation		46,318	23,667
Accretion of decommissioning liabilities		12,434	-
Foreign currency exchange (gain) loss		3,300	(5,642)
Loss on disposal of property and equipment		19,579	-
Write-off of receivable		5,623	-
Changes in non-cash working capital items:			
Receivables		(25,201)	(35,092)
Amounts due from related parties		(13,819)	-
Prepaid expenses		-	12,525
Trade and other payables		97,037	27,061
Amounts due to related parties		80,648	15,400
Net cash used in operating activities		(204,607)	(464,421)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditures on property and equipment		(346,621)	(2,673,767)
Reclamation deposits		-	(98,158)
Proceeds from disposition of property and equipment		64,000	-
Net cash used in investing activities		(282,621)	(2,771,925)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of units		700,000	3,394,000
Unit subscription proceeds		10,000	10,000
Unit issuance costs		(48,740)	(286,964)
Distributions		(83,676)	(112,310)
Proceeds from loan payable		-	500,000
Loans to related party		(69,339)	(327,725)
Increase in bank indebtedness		(21,017)	55,942
Net cash provided by financing activities		487,228	3,232,943
Change in cash during the year		-	(3,403)
Cash, beginning of the year		-	3,403
Cash, end of the year		\$ -	\$ -

**Supplemental cash flow information** (Note 15)

The accompanying notes are an integral part of these financial statements.

**1. NATURE OF BUSINESS**

Permex Petroleum Limited Partnership (the “Partnership”) was formed on September 17, 2013 under the laws of British Columbia, Canada and maintains its head office at Suite 1290, 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. Its registered office is located at Suite 1600, 925 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3L2. The Partnership is primarily engaged in the acquisition, development and production of oil and gas properties in North America. The general partner of the Partnership is Permex Petroleum Operating Ltd. (the “General Partner”).

**2. BASIS OF PREPARATION**

**Statement of compliance**

These financial statements of the Partnership have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements were approved and authorized for issuances by the Partnership’s board of directors on May 19, 2017.

**Basis of measurement**

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values. In addition these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

**Functional and presentation currency**

These financial statements are presented in Canadian dollars, which is the Partnership’s functional currency.

**Going concern of operations**

These financial statements have been prepared on a going concern basis which assumes that the Partnership will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Partnership has incurred losses since inception and has a working capital deficiency of \$1,014,730 as at December 31, 2016 (December 31, 2015 - \$716,929). The Partnership’s ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, unitholders and other investors and/or to commence profitable operations in the future. While the Partnership has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Partnership’s ability to continue as a going concern.

These financial statements do not include adjustments that would be required if the going concern assumption is not an appropriate basis for preparation of the financial statements. These adjustments could be material.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been consistently applied to all years presented in these financial statements, unless otherwise indicated.

#### **Cash**

Cash consists of cash on hand and at banks. As at December 31, 2016 and 2015, the Partnership is in an indebtedness position.

#### **Foreign currencies**

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Partnership that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

#### **Income taxes**

The Partnership is not subject to income taxes. The income or loss for Canadian tax purposes is allocable to the Partners pursuant to the limited partnership agreement, and is included in the taxable income of the partners in accordance with the provisions of the *Income Tax Act* (Canada).

#### **Exploration and evaluation assets**

Pre-license costs are recognized in profit or loss as incurred. All exploratory costs incurred subsequent to acquiring the right to explore for oil and natural gas and before technical feasibility and commercial viability of the area have been established are capitalized. Such costs can typically include costs to acquire land rights, geological and geophysical costs, decommissioning costs and exploration well costs.

Exploration and evaluation costs are not depreciated and are accumulated in cost centers by well, field or exploration area and carried forward pending determination of technical feasibility and commercial viability.

The technical feasibility and commercial viability of extracting oil and gas from exploration and evaluation assets is considered to be generally determinable when proved and probable reserves are determined to exist. Upon determination of proved and probable reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to property and equipment, net of any impairment loss.

Management reviews and assesses exploration and evaluation assets to determine if technical feasibility and commercial viability exist. If management decides not to continue the exploration and evaluation activity, the unrecoverable costs are charged to profit or loss in the period in which the determination occurs.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Property and equipment**

Property and equipment are stated at cost, less accumulated depletion and depreciation and accumulated impairment losses. All costs directly associated with the development of oil and natural gas reserves are capitalized on an area by area basis. Development costs include expenditures for areas where technical feasibility and commercial viability has been determined. These costs include proved property acquisitions, development drilling, completion, gathering and infrastructure, decommissioning costs and transfers of exploration and evaluation assets.

Costs incurred subsequent to development and production that are significant are recognized as oil and gas properties only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of oil and gas properties are recognized in profit or loss.

Costs accumulated within each area are depleted using the unit-of-production method based on proved and probable reserves using estimated future prices and costs. Costs subject to depletion include estimated future costs to be incurred in developing proved and probable reserves. Proved reserves are estimated using reserve engineer reports and represent the estimated quantities of crude oil, natural gas and natural gas liquids, which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible. There should be a 50 percent statistical probability that the actual quantity of recoverable reserves will be more than the amount estimated as proved and probable and a 50 percent probability that it will be less.

Such reserves may be considered commercially producible if management has the intention of developing and producing them. Such intention is based on:

- A reasonable assessment of the future economics of such production;
- A reasonable expectation that there is a market for all or substantially all the expected oil and natural gas production; and
- Evidence that the necessary production, transmission and transportation facilities are available or can be made available.

Reserves may only be considered proved if supported by either actual production or conclusive formation tests. The area of reservoir considered proved includes (a) that portion delineated by drilling and defined by as-oil and/or oil-water contracts, if any, or both, and (b) the immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geophysical, geological and engineering data. In the absence of information of fluid contacts, the lowest known structural occurrence of oil and natural gas controls the lower proved limit of the reservoir.

Reserves that can be produced economically through application of improved recovery techniques such as fluid injection are only included in the proved classification when successful testing by a pilot project, the operation of such an installed program in the reservoir or other reasonable evidence (such as, experience of the same techniques on similar reservoirs or reservoir simulation studies) provides support for the engineering analysis on which the project or program was based.

Corporate assets consist primarily of leasehold improvements and are stated at cost less accumulated depreciation. Depreciation of leasehold improvements is provided for on a 5 year straight-line basis. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

For property dispositions, measurement is at fair value, unless the transaction lacks commercial substance or fair value cannot be reliably measured. Where the exchange is measured at fair value, a gain or loss is recognized in net income. Any deferred consideration recorded on property dispositions are recognized as revenue in the statement of comprehensive income or loss over the reserve life.



**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Impairment of long-lived assets**

*Cash-generating units ("CGUs")*

Oil and gas properties are grouped into CGUs for purposes of impairment testing. Management has evaluated the oil and gas properties of the Partnership, and grouped the properties into CGUs on the basis of their ability to generate independent cash flows, similar reserve characteristics, geographical location and shared infrastructure.

*Financial assets*

At each reporting date, the Partnership assesses whether there is objective evidence that a financial asset is impaired. If a financial asset is impaired, the amount of the loss is measured as the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The loss is recognized in profit or loss in the period incurred.

*Non-financial assets*

Exploration and evaluation assets are assessed for impairment when they are reclassified to developing and producing assets and also if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

An impairment loss would be recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

When management judges that circumstances indicate potential impairment, property and equipment are tested for impairment by comparing the carrying values to their recoverable amounts. The recoverable amounts of CGUs are determined based on the higher of value in use calculations and fair value less costs to sell. Fair value less costs to sell can be determined by using an observable market or by using discounted future net cash flows of proved and probable reserves using forecasted prices and costs. Value in use is determined by estimating the present value of the future net cash flows expected to be derived from the continued use of the asset or CGU.

These calculations require the use of estimates and assumptions that are subject to change as new information becomes available, including information on future commodity prices, expected production volumes, quantities of reserves, discount rates, future development costs and operating costs.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment loss had been recognized.

Exploration and evaluation assets are grouped together with the Partnership's CGUs when they are assessed for impairment, both at the time of any triggering facts and circumstances, as well as upon their eventual reclassification to developing and producing assets (oil and natural gas properties).

### **3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

#### **Decommissioning liabilities**

The Partnership's activities give rise to dismantling, decommissioning and site disturbance remediation activities. A provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

Decommissioning liabilities are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Changes in the present value of the estimated expenditure are reflected as an adjustment to the provision and the relevant asset. The unwinding of the discount on the decommissioning provision is recognized as an accretion expense. Actual costs incurred upon settlement of the decommissioning liabilities are charged against the provision to the extent the provision was recognized.

#### **Financial instruments**

##### **(i) Financial assets**

The Partnership classifies its financial assets into one of the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

##### *Fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. None of the Partnership's financial assets are classified as fair value through profit or loss.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus any directly attributable transaction costs and subsequently carried at amortized cost less any impairment. The Partnership's loans and receivables comprise trade and other receivables, amounts due from related parties, loans to related party and reclamation deposits.

##### *Held-to-maturity*

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Partnership's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost at the settlement date using the effective interest method of amortization. None of the Partnership's financial assets are classified as held-to-maturity assets.

##### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Subsequent to initial recognition, changes in the fair value of available-for-sale financial assets other than impairment losses are recognized as other comprehensive income and classified as a component of equity. When available-for-sale financial assets are sold, the accumulated fair value adjustments recognized in other comprehensive income are transferred to profit and loss. None of the Partnership's financial assets are classified as available-for-sale assets.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments (cont'd...)**

(ii) Financial liabilities

The Partnership classifies its financial liabilities as other financial liabilities which includes bank indebtedness, trade and other payables, amounts due to related parties and loan payable. Other financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

(iii) Impairment of financial assets

The Partnership assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired.

*Loans and receivables*

For loans and receivables, a provision for impairment is made and an impairment loss is recognized in profit or loss when there is objective evidence (such as default or delinquency by a debtor, the probability of insolvency or significant financial difficulties of the debtor) that the Partnership will not be able to collect all of the amounts due under the original terms of the agreement. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

*Available-for-sale financial assets*

For equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is evidence that the assets are impaired. The Partnership will measure impairment on the basis of an instrument's fair value using an observable market price. An amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Impairment losses recognised on equity instruments are not reversed through profit or loss if the unrealized fair value of the impaired equity instruments increases.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when the Partnership has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**Revenue**

Revenue from the sale of petroleum and natural gas is recorded when the significant risks and rewards of ownership of the product is transferred to the buyer, revenue can be measured reliably, and collectability is reasonably assured. Risks and rewards of ownership transfer when legal title passes to the external party. For natural gas, this is generally at the time product enters the pipeline. For crude oil, this is generally at the time the product reaches a trucking terminal. For natural gas liquids, this is generally at the time the product reaches a gas plant. Revenue is measured net of discounts, customs duties, royalties and withholding tax.

## PERMEX PETROLEUM LIMITED PARTNERSHIP

### NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

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### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

#### Earnings (loss) per share

Basic earnings (loss) per share ("EPS") is calculated by dividing the income (loss) attributable to shareholders by the weighted average number of shares outstanding in the period. For all periods presented, the loss attributable to shareholders equals the reported loss attributable to owners of the Partnership. In calculating the diluted EPS, the weighted average number of common shares outstanding assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

#### Comparative information

Certain comparative information in these financial statements has been reclassified to conform to the presentation of the current period financial statements.

#### New accounting policies

There were no new standards effective January 1, 2016 that had an impact on the Partnership's financial statements. A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2017, or later periods. The Partnership has not applied these new standards in preparing these financial statements. The following pronouncements are considered by the Partnership to be the most significant of several pronouncements that may affect the financial statements in future periods.

- New standard IFRS 9 *Financial Instruments* ("IFRS 9") has been issued by the IASB to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018. The Partnership is currently evaluating the impact of adopting IFRS 9 on its financial statements.
- New standard IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") has been issued by IASB to replace IAS 18 *Revenue* and IAS 11 *Construction Contracts*. This new standard sets out the requirements for recognizing and disclosing revenues that apply to all contracts with customers. The effective date of IFRS 15 is for annual periods beginning on or after January 1, 2018.
- New standard IFRS 16 *Leases* ("IFRS 16") has been issued by the IASB to replace IAS 17 *Leases*. This new standard sets out the requirements for recognizing and disclosing leases. The objective is to ensure that lessees and lessors provide relevant information that faithfully represents the transactions. The effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019.

The Partnership is currently assessing the impact that these new standards will have on its financial statements and whether to early adopt any of the new standards.

### 4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future years.

**4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (cont'd...)**

Critical accounting judgments

*Identification of CGUs*

The Partnership's assets are aggregated into CGUs for the purpose of calculating impairment. CGUs are based on an assessment of the unit's ability to generate independent cash inflows. The determination of these CGUs is based on management's judgment with regard to shared infrastructure, geographical proximity, petroleum type and similar exposure to market risk and materiality.

*Recoverability of asset carrying values*

At each reporting date, the Partnership assesses its petroleum and natural gas properties and exploration and evaluation assets for possible impairment, to determine if there is any indication that the carrying amounts of the assets may not be recoverable.

*The determination of the functional currency*

The functional currency of the Partnership is the currency of the Partnership's economic environment and the Partnership reconsiders the functional currency if there is a change in events and conditions, which determines the primary economic environment.

Critical accounting estimates and assumptions

*Decommissioning obligations*

Decommissioning obligations require the use of management's best estimates of future decommissioning expenditures, expected timing of expenditures and future inflation rates.

*Depreciation*

Equipment is amortized over the estimated useful life of the assets. Changes in the estimated useful lives or depreciation rate used could significantly increase or decrease the amount of depreciation recorded during the period and the carrying value of equipment.

*Petroleum and natural gas interests*

Reserves resources are used in the unit-of-production calculation for depreciation and depletion and the impairment analysis, which affects net loss. There are numerous uncertainties inherent in estimating petroleum and natural gas ("P&NG") reserves. Estimating reserves is complex, requiring many judgments based on geological, geophysical, engineering and economic data. Changes in these judgments could have a material impact on the estimated reserves. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available and as the economic environment changes.

*Going concern assumption*

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Partnership is aware that material uncertainties related to events or conditions may cast significant doubt upon the Partnership's ability to continue as a going concern.

**PERMEX PETROLEUM LIMITED PARTNERSHIP**  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

**5. TRADE AND OTHER RECEIVABLES**

	2016	2015
Trade receivables	\$ 37,888	\$ 22,230
Receivables from working interest partners	8,952	12,682
GST recoverable	7,830	180
	<b>\$ 54,670</b>	<b>\$ 35,092</b>

During the year ended December 31, 2016 the Partnership wrote off \$5,623 (2015 - \$nil) in receivables that were deemed to be uncollectible.

**6. PROPERTY AND EQUIPMENT**

	Oil and natural gas properties	Corporate	Total
<b>Cost</b>			
Balance at December 31, 2014	\$ 278,904	\$ 57,324	\$ 336,228
Additions to property and equipment	2,720,289	13,522	2,733,811
Change in decommissioning provisions	464,952	-	464,952
Balance at December 31, 2015	3,464,145	70,846	3,534,991
Additions to property and equipment	437,881	-	437,881
Change in decommissioning provisions	(10,171)	-	(10,171)
Disposition	(83,579)	-	(83,579)
Balance at December 31, 2016	<b>\$ 3,808,276</b>	<b>\$ 70,846</b>	<b>\$ 3,879,122</b>
<b>Accumulated depletion and depreciation</b>			
Balance at December 31, 2014	\$ -	\$ 5,732	\$ 5,732
Depletion and depreciation	11,996	11,671	23,667
Balance at December 31, 2015	11,996	17,403	29,399
Depletion and depreciation	32,149	14,169	46,318
Balance at December 31, 2016	<b>\$ 44,145</b>	<b>\$ 31,572</b>	<b>\$ 75,717</b>
<b>Net amount</b>			
Balance at December 31, 2015	\$ 3,452,149	\$ 53,443	\$ 3,505,592
Balance at December 31, 2016	<b>\$ 3,764,131</b>	<b>\$ 39,274</b>	<b>\$ 3,803,405</b>

As of December 31, 2016, the Partnership has a reclamation bond of \$100,500 (US\$75,000) (2015 - \$103,800), which is expected to be released after all reclamation work has been completed with regard to its oil and natural gas interests in Texas.

**PERMEX PETROLEUM LIMITED PARTNERSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**

**6. PROPERTY, PLANT AND EQUIPMENT (cont'd...)**

The Partnership is engaged in the exploration for, and the development of, petroleum and natural gas projects in the United States. During the year ended December 31, 2015, the Partnership entered into various purchase agreements whereby the Partnership earned 66.67% – 100% working interest in eight projects located in Texas. The Company operates a total of 52 wells on these properties. There were no new interests acquired during the year ended December 31, 2016.

**Farmout Agreement**

On June 25, 2014, the Partnership, entered into a farmout agreement with Kentucky Petroleum Operating Ltd. (“KPO”), a related party through management, whereby the Partnership has the option to obtain a 100% working interest, 70% net revenue interest, in up to 10 well locations in the Tom Cat Project located in the Raccoon Mountain oil fields in Laurel County, Kentucky. The Partnership is required to pay US\$50,000 for each well location and test drill a well to a depth of 4,000 feet to each a 100% working interest in the well. The Partnership completed the farm-out of the first well in 2014. During the year ended December 31, 2015, the Partnership recorded \$327,725 in additions to the Tom Cat Trail project. In December 31, 2016 it was noted that these funds were advanced to KPO’s subsidiary to assist in paying down a settlement on an unrelated project. As a result, the funds were reclassified to Loan to related party (Note 9). The Partnership has not incurred any expenditures on the Tom Cat project since the year ended December 31, 2014.

**Disposition**

On April 13, 2016, the Partnership sold a 100% working interest in the McAdams lease in Callahan County, Texas, for \$64,000 (US\$50,000) and recognized a loss on disposal of \$19,579.

**7. TRADE AND OTHER PAYABLES**

	2016	2015
Trade payables	\$ 201,968	\$ 89,814
Accrued liabilities	54,781	15,000
Other payables	46,261	2,451
	<b>\$ 303,010</b>	<b>\$ 107,265</b>

Trade payables of the Partnership are principally comprised of amounts outstanding for trade purchases relating to oil and gas and general operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

**8. LOAN PAYABLE**

On May 1, 2015, the Partnership entered into a secured debenture purchase agreement through the issuance of one debenture in the principal amount of \$500,000. The debenture loan bears interest at 8% interest per year compounded annually, is payable on or before May 1, 2017 and is secured by an interest in all of the Partnership’s right, title, and interest in the Pittcock lease, one of the Partnership’s oil and gas assets. In addition, the debenture loan is subject to a coupon fee of \$40,000 due on May 1, 2016 and May 1, 2017. A working interest fee of 3.0% is due to be paid monthly from the production revenue of the Pittcock lease. As at December 31, 2016, the outstanding balance of the debenture loan was \$500,000 (December 31, 2015 - \$500,000) and the accrued finance costs including interest, coupon fee and working interest were \$102,562 (December 31, 2015 - \$26,740).

Subsequent to December 31, 2016, the Partnership and the lender entered into an amendment whereby the Partnership repaid \$250,000 of the outstanding principal and \$80,000 of accrued interest. The remaining principal amount of \$250,000 will be payable on November 4, 2017 together with interest of \$25,000. The amendment also waived the coupon fee on the original loan agreement.

**PERMEX PETROLEUM LIMITED PARTNERSHIP**  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

**9. RELATED PARTY TRANSACTIONS**

Amounts due from (due to) related parties are broken down as follows:

	2016	2015
N.A. Energy Resources Investment Corporation	\$ 10,580	\$ -
A management company controlled by directors of the General Partner	\$ 3,239	\$ -
A partnership with common management of the General Partner	\$ (48,052)	\$ (47,074)
A director of the General Partner	\$ (94,670)	\$ (15,000)

Amounts due from/to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

During the year ended December 31, 2016, the Partnership entered into a loan agreement with Kentucky Petroleum Limited Partnership ("Kentucky LP"), a partnership with common management of the General Partner. As per the loan agreement, the Partnership may advance up to US\$450,000. The loan is non-interest bearing and secured by Kentucky LP's 100% interest in the Tom Cat project. Kentucky LP must repay the loan to the Partnership by June 25, 2018 if the Partnership has not proceeded with the drill locations and has not earned a 100% working interest in the wells outlined in the farmout agreement (Note 6). As at December 31, 2016, the outstanding balance of the loan was \$397,064 (December 31, 2015 - \$327,725).

The General Partner provides all management services to the Partnership and thus is the key management personnel of the Partnership. The compensation paid or payable to key management personnel during the years ended December 31 is as follows:

	2016	2015
Management fees	\$ -	\$ 63,784

The Partnership entered into the following related party transactions during the year ended December 31, 2016:

- a) Made cash distributions of \$62,183 (2015 - \$82,440) to N.A. Energy Resources Investment Corporation, a company holding 71% of the Partnership's outstanding units at December 31, 2016 (December 31, 2015 - 76%).



**PERMEX PETROLEUM LIMITED PARTNERSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**

**10. DECOMMISSIONING LIABILITIES**

The total future decommissioning obligations are based on the Partnership's net ownership in wells and facilities, estimated costs to reclaim and abandon the wells and facilities, and the estimated timing of the costs to be incurred in future periods. The total undiscounted amount of estimated cash flows required to settle the Partnership's liabilities is approximately \$773,000 as at December 31, 2016 (December 31, 2015 - \$788,000) and expected to be incurred on average in 20 years. The estimated net present value of the decommissioning liabilities was calculated using an inflation factor of 2.0% (2015 - 2%) and discounted using a risk-free rate of 2.79% (2015 - 2.67%) based on expected settlement date.

Changes to the decommissioning liabilities are as follows:

	2016	2015
Decommissioning liabilities, beginning of the year	\$ 464,952	\$ -
New liabilities recognized	565	464,952
Decommissioning costs incurred	(9,136)	-
Change in discount rate	(10,736)	-
Accretion expense	12,434	-
	<b>\$ 458,079</b>	<b>\$ 464,952</b>

**11. PARTNERS' CAPITAL**

The authorized capital of the Partnership consists of:

- (a) An unlimited number of limited partnership units, with a stated capital of \$1,000 per unit; and
- (b) The General Partner's initial capital contribution of \$10 (paid).

**Partnership unit issuance**

During the year ended December 31, 2016, the Partnership:

- a) Issued 700 units for gross proceeds of \$700,000, of which \$10,000 was received subsequent to December 31, 2016. The Partnership incurred \$47,052 of commissions in connection with the unit issuance.
- b) Issued 10 units for subscription proceeds of \$10,000 received during the year ended December 31, 2015.
- c) Received unit subscription proceeds of \$10,000 for 10 units (subsequently issued).

During the year ended December 31, 2015, the Partnership:

- a) Issued 3,396 units for gross proceeds of \$3,394,000. The Partnership incurred \$301,284 as commissions in connection with the unit issuance, of which \$286,964 was paid.
- b) Received unit subscription proceeds of \$10,000 for 10 units (issued in fiscal 2016).

**Liability of limited partners**

The liability of each Limited Partner for the debts, liabilities, obligations and losses of the Partnership will be limited to the amount of their capital contribution plus their share of any undistributed profits in the Partnership.

**PERMEX PETROLEUM LIMITED PARTNERSHIP**  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

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**11. PARTNERS' CAPITAL (cont'd...)**

**Distributions**

The General Partner in its discretion will distribute available cash flow monthly, 15 days in arrears from the end of each calendar month, as follows:

- i) firstly, to the Limited Partners, pro rata in accordance with their respective proportionate units until the Partnership achieves distributions to the Limited Partners that total 8% of their initial contribution (the "Preferred Return Entitlement"); and
- ii) thereafter, the balance of such distributions will be made 50% to the Limited Partners pro rata in accordance with their respective proportionate shares and 50% to the General Partner.

The holder of each limited partnership unit will have the right to exercise one vote for each unit held by the Limited Partner in respect of all matters to be decided by the Limited Partners. Limited Partners will be entitled to receive allocations of income or loss, distributions on wind-up or other dissolution, or any return of capital in accordance with their respective proportionate shares.

During the year ended December 31, 2016, the Partnership made distributions of \$83,676 (2015 - \$112,310) to limited partners.

**12. SEGMENTED INFORMATION**

**Operating segments**

The Partnership operates in a single reportable segment – the acquisition, development and production of oil and gas properties.

**Geographic segments**

The Partnership's non-current assets are located in Canada and the USA as follows:

At December 31, 2016:

		Canada		USA		Total
Property and equipment	\$	39,274	\$	3,764,131	\$	3,803,405

At December 31, 2015:

		Canada		USA		Total
Property and equipment	\$	53,443	\$	3,452,149	\$	3,505,592

### **13. FINANCIAL INSTRUMENTS**

The Partnership classified its financial instruments as follows: trade and other receivables, and amounts due from related parties, loans to related party and reclamation deposits are classified as loans and receivables and are measured at amortized cost; and bank indebtedness, trade and other payables, amounts due to related parties and loan payable are classified as other financial liabilities and are measured at amortized cost. Information on certain types of financial instruments is included elsewhere in these financial statements as follows: trade and other receivables (Note 5); due from/to related parties (Note 9), trade and other payables (Note 7) and loan payable (Note 8).

The carrying amount of trade and other receivables amounts due from/to related parties, loans to related party, reclamation deposits, trade and other payables and loan payable carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments and/or the rate of interest being charged.

#### **Financial risk management**

The Partnership's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Partnership's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

##### *Credit risk*

Credit risk is the risk of potential loss to the Partnership if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Partnership is associated with trade and other receivables and due from related parties. The Partnership does not anticipate any default, as it transacts with creditworthy customers and management does not expect any losses from non-performance by these customers.

##### *Liquidity risk*

Liquidity risk is the risk that the Partnership will not meet its obligations associated with its financial liabilities as they fall due. The Partnership performs cash flow forecasting for each fiscal year to ensure sufficient cash is available to fund its projects and operations. As at December 31, 2016, the Partnership has a working capital deficiency of \$1,014,730. The Partnership's financial liabilities include accrued expenses and trade and other payables which have contractual maturities of 30 days or are due on demand.

At present, the Partnership's operations do not generate positive cash flows. The Partnership's primary source of funding has been the issuance of partnership units and revenue from oil and gas production. Subsequent to December 31, 2016, the Partnership received a debenture loan of \$200,000 from a director of the General Partner and \$1,444,861 of partnership unit subscription proceeds (Note 19). The Partnership also renegotiated the loan payable due on May 1, 2017 and repaid \$250,000 of the outstanding loan principal and \$80,000 of accrued interest. The remaining principal amount of \$250,000 will be payable on November 4, 2017 together with interest of \$25,000 (Note 8).

##### *Foreign currency exchange risk*

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Partnership's functional currency is the Canadian dollar and administrative expenditures are transacted in Canadian dollars. The Partnership funds its oil and gas operations in the United States by using US dollars converted from its Canadian bank accounts. At December 31, 2016, the Partnership had financial assets of \$358,904 (US \$266,674) and financial liabilities of \$273,667 (US \$204,511) denominated in United States dollars. A 10% strengthening of the US dollar would affect net loss by approximately \$6,800. The Partnership does not hedge its foreign exchange risk.

**13. FINANCIAL INSTRUMENTS (cont'd...)**

**Financial risk management (cont'd...)**

*Interest rate risk*

The Partnership is exposed to interest rate risk arising from the bank indebtedness owing to Canadian financial institutions. The interest rate risk on bank indebtedness is not considered significant. The loan payable is based on a fixed interest rate. The exposure to interest rates for the Partnership is considered minimal. The Partnership has not used any financial instrument to hedge potential fluctuations in interest rates.

*Commodity price risk*

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in the price of oil and natural gas. Commodity prices are impacted by world economic events that affect supply and demand, which are generally beyond the Partnership's control. Changes in crude oil prices may significantly affect the Partnership's results of operations, cash generated from operating activities, capital spending and the Partnership's ability to meet its obligations. The Partnership manages this risk by constantly monitoring commodity prices and factoring them into operational decisions, such as contracting or expanding its capital expenditures program.

**14. FAIR VALUE MEASUREMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at December 31, 2016, the Partnership has no financial assets or financial liabilities measured at fair value. There have been no changes in these levels and no changes in classifications during the year ended December 31, 2016.

**15. SUPPLEMENTAL CASH FLOW INFORMATION**

Significant non-cash transactions during the year ended December 31, 2016:

- a) Included in trade and other payables are \$160,440 related to property and equipment.
- b) Included in trade and other payables are \$12,632 related to unit issuance costs.

Significant non-cash transactions during the year ended December 31, 2015:

- a) Included in trade and other payables are \$60,044 related to property and equipment.
- b) Included in trade and other payables are \$14,320 related to unit issuance costs.

**PERMEX PETROLEUM LIMITED PARTNERSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**

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**16. COMMITMENTS**

The Partnership has entered into an office lease agreement for its office premises for a four year term ending August 31, 2018. The minimum lease commitments under the lease for the next two fiscal years are as follows:

2017	\$	28,176
2018		<u>18,784</u>
	\$	<u>46,960</u>

**17. CAPITAL MANAGEMENT**

The Partnership's objective when managing capital is to safeguard the Partnership's ability to continue as a going concern in order to pursue the acquisition and development of its oil and gas properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Partnership considers amounts attributable to Partners as a component of capital.

The Partnership manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Partnership may attempt to issue additional units, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

There were no changes in the Partnership's approach to capital management during the year ended December 31, 2016. The Partnership is not subject to externally imposed capital requirements.

**18. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS**

The Partnership has restated its previously issued financial statements for the year ended December 31, 2015 to correct cut-off errors in recognizing certain revenue and expenditures and foreign exchange errors in converting certain accounts dominated in US dollars. The affected financial information presented in these financial statements has been presented to give effect to the restatement.

The following tables present the impact of the restatement on the Partnership's previously reported financial statements for the year ended December 31, 2015.

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<b>Statement of loss and comprehensive loss impacts</b>	<b>Previously reported</b>	<b>Adjustments</b>	<b>Restated</b>
Revenues	\$ 110,410	\$ 22,230	\$ 132,640
Direct operating expenses	(102,881)	(11,711)	(114,592)
General expenses	(609,064)	-	(609,064)
Foreign currency exchange gain	20,952	67,724	88,676
Finance costs	(26,740)	-	(26,740)
<b>Loss and comprehensive loss for the year</b>	<b>\$ (607,323)</b>	<b>\$ 78,243</b>	<b>\$ (529,080)</b>

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**PERMEX PETROLEUM LIMITED PARTNERSHIP**  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

**18. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS (cont'd...)**

<b>Statement of financial position impacts</b>	<b>Previously reported</b>	<b>Adjustments</b>	<b>Restated</b>
<b>ASSETS</b>			
Current assets			
Trade and other receivables	\$ 12,862	\$ 22,230	\$ 35,092
Amounts due from related parties	212,926	(212,926)	-
	225,788	(190,696)	35,092
<b>Non-current assets</b>			
Loans to related party	-	327,725	327,725
Exploration and evaluation assets	489,895	(489,895)	-
Property and equipment	2,955,655	549,937	3,505,592
Reclamation deposits	103,800	-	103,800
	3,549,350	387,767	3,937,117
<b>Total assets</b>	<b>\$ 3,775,138</b>	<b>\$ 197,071</b>	<b>\$ 3,972,209</b>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>			
<b>Current liabilities</b>			
Bank indebtedness	\$ 55,942	\$ -	\$ 55,942
Trade and other payables	21,191	86,074	107,265
Amounts due to related parties	15,000	47,074	62,074
Loan payable	526,740	-	526,740
	618,873	133,148	752,021
<b>Non-current liabilities</b>			
Decommissioning liabilities	464,952	-	464,952
<b>Total liabilities</b>	<b>1,083,825</b>	<b>133,148</b>	<b>1,216,973</b>
<b>Partners' capital</b>	<b>2,691,313</b>	<b>63,923</b>	<b>2,755,236</b>
<b>Total liabilities and partners' capital</b>	<b>\$ 3,775,138</b>	<b>\$ 197,071</b>	<b>\$ 3,972,209</b>
<b>Statement of cash flow impacts</b>			
Net cash used in operating activities	\$ (541,902)	\$ 77,481	\$ (464,421)
Net cash used in investing activities	(2,777,569)	5,644	(2,771,925)
Net cash provided by financing activities	3,260,126	(27,183)	3,232,943

**19. EVENTS AFTER THE REPORTING PERIOD**

- i) On December 12, 2016 the Partnership entered into an agreement (“Letter of intent”) with Legacy Reserves Operating LP to purchase a 96.98328% Working Interest, 0.71905871% Net Revenue Interest in the Legacy oil and gas lease (the “Legacy Lease”) in Stonewall County, Texas, in consideration of US\$150,000. On February 10, 2017, the Partnership paid the purchase price of US\$150,000 and completed the purchase.
- ii) On February 10, 2017, the Partnership entered into a debenture purchase agreement through the issuance of one debenture in the principal amount of \$200,000. The debenture loan is unsecured, bears interest at 8% interest per year compounded annually and is payable on or before February 10, 2018. The Partnership also granted an annual carried working interest fee of 3.0% payable monthly from the production revenue of the Legacy Lease.
- iii) Subsequent December 31, 2016, the Partnership issued 707 units for gross proceeds of \$707,000. In addition, the Partnership received unit subscription proceeds of \$667,418. The Partnership incurred \$115,589 as commissions in connection with the unit issuance.

**CERTIFICATE**

**This Offering Memorandum does not contain a misrepresentation.**

**Permex Petroleum Limited Partnership, by its  
General Partner, Permex Petroleum Operating Ltd.**

DATED June 28, 2017

(signed) Mehran Ehsan  
Mehran Ehsan, Chief Executive Officer,  
President and Treasurer

(signed) Barry L. Whelan  
Barry L. Whelan  
Chief Operating Officer

(signed) Wayne Needoba  
Wayne Needoba, Managing Director

**On Behalf of the Board of Directors  
of the General Partner, Permex Petroleum Operating Ltd.**

(signed) Mehran Ehsan  
Mehran Ehsan, Director

(signed) Barry L. Whelan  
Barry L. Whelan, Director



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**SCHEDULE A**  
**TO THE OFFERING MEMORANDUM OF**  
**PERMEX PETROLEUM LIMITED PARTNERSHIP**  
**DATED June 28, 2017**

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**AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT**  
**DATED November 1, 2016**

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**PERMEX PETROLEUM LIMITED PARTNERSHIP**

(An Oil and Gas Limited Partnership)

**AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT**

**November 1, 2016**

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THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT is dated for reference the 1<sup>st</sup> day of November, 2016.

AMONG:

**PERMEX PETROLEUM OPERATING LTD.**, a corporation incorporated under the laws of the Province of British Columbia, having its offices at 1066 West Hastings Street, Suite 2000, in the City of Vancouver, in the Province of British Columbia, V6E 3X2

(hereinafter called the “**General Partner**”)

OF THE FIRST PART

AND:

Each party who from time to time is accepted as a limited partner in the **PERMEX LIMITED PARTNERSHIP**, or who is a successor of any such person and who becomes a limited partner upon being registered as such under The Partnership Act (British Columbia)

(hereinafter individually called a “**Limited Partner**” and collectively called the “**Limited Partners**”)

OF THE SECOND PART

WHEREAS:

A. On September 16 2013 the General Partner and N.A. Energy Resources Corp. (the “**Initial Limited Partner**”) formed a limited partnership (hereinafter called the “**Partnership**” or the “**Limited Partnership**”) under the Act pursuant to a limited partnership agreement (the “**Original Agreement**”);

B. On October 2, 2013, the Original Agreement was amended and restated to effect changes to certain definitions contained in the Original Agreement (the “**October 2, 2013 Agreement**”);

C. On January 22, 2015, the October 2, 2013 Agreement was amended and restated to effect changes allowing for the issuance of non-certificated interests in Units of the Partnership (the “**Previous Agreement**”);

D. Pursuant to Section 3.4 of the Previous Agreement, the General Partner wishes to amend and restate the Previous Agreement to effect certain changes to the distributions to investors of Available Cash Flow;

E. The Partnership was formed for the principal purpose of acquiring interests in oil and gas properties located in North America (collectively, the “**Oil and Gas Properties**”);

F. The General Partner has agreed to offer Units of the Partnership by way of private placement in each of the Provinces of Canada, and in such other jurisdictions where it may be permitted to do so, for the purposes of financing the acquisition of its interest in the Oil and Gas Properties and the carrying on of the Business, and will admit Investors for Units as Limited Partners.

G. It is considered necessary and desirable to enter into this Agreement to set out the terms and conditions upon which the Partnership is being formed.

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

## ARTICLE 1

### DEFINITIONS 1.1 Definitions

In this Agreement, unless the context otherwise requires, the following words or expressions will have the following meanings:

- (a) **Accountants** means such firm of chartered accountants as may be appointed from time to time by the General Partner as accountants for the Limited Partnership.
- (b) **Act** means the *Partnership Act* of British Columbia, RSBC 1996, c. 348, as amended.
- (c) **Affiliate or Associate** means, where used to indicate a relationship with any person,
  - (i) a partner, other than a limited partner, of that person,
  - (ii) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity,
  - (iii) an entity in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the entity, or
  - (iv) a relative, including the spouse, of that person or a relative of that person's spouse, where the relative has the same home as that person,

and for the purpose of this definition "spouse" includes a man or woman not married to that person but who is living with that person and has lived with that person as husband or wife for a period of not less than 6 months.

- (d) **Agreement** means, this Agreement, as amended from time to time.
- (e) **Asset Management Fee** means the fee, equal to 0.5% of the fair market value of the assets of the Limited Partnership, paid monthly, in arrears, to the Manager pursuant to the Management Agreement.
- (f) **Available Cash Flow** means, for each fiscal period, an amount equal to the income earned by the Partnership in that period from its ownership of the Oil and Gas Properties (not including any Extraordinary Net Cash Receipts for such period);
- (g) **Business** means the business of the Limited Partnership, as described in Section 2.4.
- (h) **CDS** means CDS Clearing and Depositary Services Inc. and its successors.
- (i) **CDS Participant** means a registered securities dealer which maintains a book record of Units held by CDS on behalf of a Limited Partner.
- (j) **Date of Issue** means the date on which a Unit is issued to a Limited Partner.
- (k) **Election Notice** has the meaning ascribed to it in Section 6.5.
- (l) **Expenses** means

- (i) payment of all current obligations of the Partnership including, for greater certainty, the payment of the Asset Management Fee to the Manager pursuant to the Management Agreement and the payment of any cash commissions owed to participating brokers as determined by the General Partner, in its sole discretion;
  - (ii) the deduction of a reasonable working capital reserve, as determined by the General Partner; and
  - (iii) repayment of any loans advanced by the General Partner or the Limited Partners, together with accrued interest.
- (m) **Extraordinary Net Cash Receipts** means, collectively, Net Proceeds from Sale or Net Proceeds from Refinancing as the case may be.
- (n) **Fiscal Year** means the fiscal year of the Limited Partnership ending on December 31.
- (o) **General Partner** means Permex Petroleum Operating Ltd., a British Columbia company, in its capacity as the general partner of the Limited Partnership, or any person who is from time to time admitted as the general partner of the Limited Partnership in accordance with the terms of this Agreement.
- (p) **Initial Limited Partner** means N.A. Energy Resources Corp. or its successor or assigns.
- (q) **Investor** means a person, firm, corporation or other entity who subscribes for Units by completing and submitting to the General Partner, or any duly appointed agent or sub-agent, for acceptance or rejection by the General Partner, a Subscription Agreement.
- (r) **Limited Partner** means any Investor whose Subscription is accepted by the General Partner and any person, firm, corporation or other entity who acquires Units on a subsequent transfer from a Limited Partner in accordance with the terms of this Agreement.
- (s) **Limited Partnership** or **Partnership** means that Permex Petroleum Limited Partnership, a limited partnership formed under the Act.
- (t) **Limited Partnership Agreement** or **Agreement** means this amended and restated limited partnership agreement as it may from time to time be supplemented, amended or restated.
- (u) **Net Income** or **Net Loss** means, for accounting purposes, the net income or net loss of the Limited Partnership for a Fiscal Year as determined in accordance with generally accepted accounting principles applied on a consistent basis to the extent possible and, for income tax purposes, means the income or loss of the Limited Partnership determined under all applicable income tax statutes and regulations after applying the following principles, subject to a determination by the General Partner that such an application generally would not be in the best interest of Limited Partners:
  - (i) deductions in arriving at income or loss will be taken at the earliest time and to the maximum extent permitted by applicable income tax statutes and regulations; and
  - (ii) the recognition of income will be deferred to the maximum extent permitted by applicable income tax statutes and regulations.
- (v) **Net Proceeds from Refinancing** means all receipts of the Limited Partnership arising



from a Refinancing of the Oil and Gas Properties, after deduction of amounts paid to discharge or pay down other encumbrances of the Oil and Gas Properties, if any, and all other amounts required to be paid out of such receipts, and after the payment of all costs and expenses associated with the Refinancing of the Oil and Gas Properties.

- (w) **Net Proceeds from Sale** means all receipts of the Limited Partnership arising from the Sale, including any principal and interest payments received on any vendor financing taken back on such Sale, less the costs and expenses of the Sale and amounts required to discharge any encumbrances registered against the Oil and Gas Properties.
- (x) **Manager** means N.A Energy Resources Corporation.
- (y) **Management Agreement** means the agreement to be entered into between the Limited Partnership and the Manager pursuant to which the Manager shall provide certain administrative services to the Limited Partnership.
- (z) **NCI** means the non-certificated inventory system of CDS.
- (aa) **Notice of Valuation** has the meaning ascribed to it in Section 6.4.
- (bb) **Oil and Gas Properties** has the meaning ascribed to it in recital B hereof.
- (cc) **Ordinary Resolution** means a resolution approved by more than 50% of the votes cast by those Limited Partners who vote and who are entitled to vote in person or by proxy at a duly convened meeting of Limited Partners, or at any adjournment thereof, called in accordance with the Limited Partnership Agreement, or a written resolution in one or more counterparts distributed to all Limited Partners and signed by Limited Partners holding in the aggregate more than 50% of the aggregate number of votes held by those Limited Partners who are entitled to vote.
- (dd) **Payments** means the distributions of Available Cash Flow pursuant to Section 8.2(a) and the allocation of Net Income pursuant to Section 8.3.
- (ee) **Preferred Return** means, in respect of a Unit, an amount equal to an 8% annual, cumulative, non-compounded, return on the Subscription Price paid to the Partnership for such Unit.
- (ff) **Preferred Return Period** means, in respect of a Unit, the period commencing on the Date of Issue of such Unit and ending on the earlier of:
  - (i) the seventh (7<sup>th</sup>) anniversary of the Date of Issue of such Unit; and
  - (ii) the date on which Payments in respect of such Unit are, in the aggregate, equal to a 100% return on the Subscription Price paid for such Unit.
- (gg) **Prime Rate** means the rate of interest declared by the Royal Bank of Canada from time to time at its main branch in Vancouver, British Columbia, as the rate of interest charged to its best commercial customers for unsecured short term loans in Canadian funds which rate is commonly referred to as the "prime rate".
- (hh) **Promoter** means the person, entity or firm retained to by the Partnership to promote the sale of the Units by way of private placement or otherwise.
- (ii) **Proportionate Share** means for each Unit that fraction which has one as its numerator and has an amount equal to the total number of issued Units of the same type as the Unit

in question as its denominator and for a Limited Partner means that fraction which has the number of Units held by the Limited Partner as its numerator and an amount equal to the total number of issued Units as its denominator.

- (jj) **Proven Reserve Value** has the meaning ascribed to it in Section 6.2.
- (kk) **Redeeming Limited Partner** has the meaning ascribed to it in Section 6.1.
- (ll) **Redemption** has the meaning ascribed to it in Section 6.1.
- (mm) **Redemption Amount** has the meaning ascribed to it in Section 6.4.
- (nn) **Redemption Date** has the meaning ascribed to it in Section 6.6.
- (oo) **Redemption Notice** has the meaning ascribed to it in Section 6.1.
- (pp) **Redemption Price** has the meaning ascribed to it in Section 6.3.
- (qq) **Refinancing** means any renewal, extension, increase or refinancing of all or any part of any long-term or development financing permitted in respect of the Oil and Gas Properties but excluding any ordinary course borrowings for operating purposes.
- (rr) **Register** means the records of the Limited Partnership in which are recorded the names and addresses of the Limited Partners, the particulars of the registration of Units held by each Limited Partner and particulars of transfers of Units, and such other records as are required by applicable law.
- (ss) **Registrar and Transfer Agent** means the General Partner, or such other person who may be appointed from time to time by the General Partner to act as registrar and transfer agent for the Limited Partnership.
- (tt) **Sale** means the sale by the Partnership of all or part of its interest in the Oil and Gas Properties, the receipt by the Partnership of compensation for the expropriation of, condemnation of or injurious affection to the Oil and Gas Properties or any part thereof or interest therein or the recovery by the Partnership of damage awards or insurance proceeds (other than business or rental interruption insurance proceeds) in respect thereof.
- (uu) **Special Resolution** means a resolution approved by not less than 75% of the votes cast by those Limited Partners who vote and are entitled to vote in person or by proxy at a duly convened meeting of Limited Partners, or at any adjournment thereof or a written resolution in one or more counterparts distributed to all Limited Partners and signed by Limited Partners holding in the aggregate not less than 75% of the aggregate number of votes held by those Limited Partners who are entitled to vote.
- (vv) **Subscription** means a subscription for Units made by an Investor pursuant to a Subscription Agreement.
- (ww) **Subscription Agreement** means the Subscription Form and Power of Attorney substantially in the form attached to this Agreement.
- (xx) **Subscription Price** means \$1,000.00 per Unit.
- (yy) **Tax Act** means the *Income Tax Act* (Canada), as amended, together with all regulations made pursuant thereto.

- (zz) **Unit** means the interest of a Limited Partner in the Limited Partnership consisting of a right to participate in the income and losses of the Limited Partnership, after payment to the General Partner of its entitlement, to participate in the distribution of the net assets of the Limited Partnership upon a liquidation or winding up of the Limited Partnership, after the repayment to the General Partner and the Limited Partners of their respective capital accounts, and such other rights as are prescribed under this Agreement.
- (aaa) **Unit Certificate** means a certificate issued by the Limited Partnership for Units which may be issued in such form as approved by the General Partner from time to time.
- (bbb) **Valuation** has the meaning ascribed to it in Section 6.2.

## **ARTICLE 2 THE LIMITED PARTNERSHIP**

### **2.1 Formation, Status and Name of Limited Partnership**

The General Partner and the Initial Limited Partner hereby agree to constitute a limited partnership which will continue until termination in accordance with this Agreement to carry on business under the name:

“Permex Petroleum Limited Partnership”.

Subject to all applicable laws, the Limited Partnership will carry on business under the name “Permex Petroleum Limited Partnership” or such other name or names as the General Partner may determine from time to time, provided that the General Partner files a new declaration or certificate under the Act as required.

### **2.2 Maintaining Status of Limited Partnership**

The General Partner will be the general partner of the Limited Partnership, will do all things and will cause to be executed and filed such certificates, declarations, instruments and documents as may be required under the laws of the Province of British Columbia or the laws of any other province having jurisdiction, to reflect the constitution of the Limited Partnership from time to time. The General Partner and each Limited Partner will execute and deliver as promptly as possible any documents that may be necessary or desirable to accomplish the purposes of this Agreement or to give effect to the formation of the Limited Partnership under any and all applicable laws. The General Partner will take all necessary actions on the basis of information available to it in order to maintain the status of the Limited Partnership as a limited partnership under the Act.

### **2.3 Fiscal Period**

The fiscal period of the Limited Partnership will end on the 31st day of December in each and every year or such other date as the Limited Partners may determine by Special Resolution.

### **2.4 Business and Powers of the Limited Partnership**

The business of the Limited Partnership will be restricted to the business of directly or indirectly acquiring, holding, managing, operating and selling the Oil and Gas Properties, or any direct or indirect interests therein, conducting other business which is ancillary or incidental thereto, and deriving income therefrom with a view to making a profit. The Limited Partnership will not carry on any other business. The Limited Partnership will have the power to do any and every act and thing necessary, proper, convenient or incidental to the accomplishment of its business and purposes including, without limitation, owning or disposing of partnership interests, shares or other securities whereby the Limited Partnership holds an indirect interest in Oil and Gas Properties or interests therein.

## **2.5 Principal Place of Business**

The principal place of business, registered office and mailing address of the Limited Partnership and the General Partner will be 1066 Hastings Street, Suite 2000, Vancouver, British Columbia, V6E 3X2. The General Partner may change the principal place of business, the registered office or the mailing address of the Limited Partnership and the registered office and mailing address of the General Partner from time to time by giving notice to that effect to all Limited Partners, pursuant to the notice provisions contained in this Agreement.

## **2.6 Term**

The Limited Partnership will be formed upon the filing and recording of the requisite certificate under the Act and any other applicable legislation and will continue until terminated upon the earlier of December 31, 2113, and the passage of a Special Resolution approving the dissolution of the Limited Partnership and, in any case, after the completion of the liquidation of the Limited Partnership and distribution of all funds remaining after payment of all of the debts, liabilities and obligations of the Limited Partnership to its creditors, in accordance with the provisions of this Agreement and upon compliance with the requirements of the Act and any other applicable legislation.

## **2.7 Status of the General Partner**

The General Partner represents and warrants and covenants to each Limited Partner that it:

- (a) is and will continue to be a corporation incorporated and in good standing under the laws of the Province of British Columbia;
- (b) has and will continue to have the requisite capacity and corporate authority to act as General Partner of the Limited Partnership and to perform its obligations under this Agreement, and such obligations do not and will not conflict with or breach its memorandum, articles of incorporation or any agreement by which it is bound;
- (c) will not, and will not permit any Affiliate or Associate of it, borrow from the Limited Partnership;
- (d) will carry out its powers and authorities and manage and operate the Limited Partnership and the undertaking, property and assets thereof in a reasonable and prudent manner and will act honestly, in good faith and in the best interests of the Limited Partners;
- (e) will act in utmost fairness and good faith towards the Limited Partners in the business of the Limited Partnership;
- (f) has contributed Ten Dollars (\$10) as a capital contribution to the Limited Partnership; and
- (g) will not carry on any business other than for the purposes set forth herein.

## **2.8 Status of Each Limited Partner**

Each Limited Partner represents, warrants and covenants to each other Limited Partner and to the General Partner that such Limited Partner:

- (a) is acting as a principal;
- (b) if an individual, has the legal capacity and competence to enter into and be bound by this Agreement and all other agreements contemplated hereby;

- (c) if a corporation, partnership, unincorporated association or other entity, is legally competent to execute this Agreement and all other agreements contemplated hereby and to take all actions required pursuant hereto, and further certifies that all necessary approvals of directors, shareholders, partners, members or otherwise have been given;
- (d) is a resident of Canada under the Tax Act and is not a "non-Canadian" person under the *Investment Canada Act*; and
- (e) will promptly provide such evidence of the legal status of such Limited Partner as the General Partner may reasonably request.

Each Limited Partner covenants and agrees that the Limited Partner will not cease to be a resident of Canada for the purposes of the Tax Act or otherwise change the Limited Partner's status as represented herein or transfer or purport to transfer the Limited Partner's Units to any person that is not a resident of Canada for the purposes of the Tax Act or in any other case if such other change, transfer or purported transfer would have the effect of altering the status of the Partnership in relation to the Tax Act or any similar statute affecting such status.

Each Limited Partner covenants and agrees that it will, upon request, promptly provide evidence to the General Partner that its status (or the status of any beneficial owner of Units) under the Tax Act is as represented and warranted in Section 2.8(d) and that it has complied with its covenants under this Section 2.8. In the event that a Limited Partner fails to comply with such a request or in the event that reasonably satisfactory evidence is not provided by such Limited Partner, or in the event that the General Partner otherwise determines that a person has become or is a Limited Partner (on its own behalf or on behalf of a beneficial owner of Units) in contravention of Section 2.8(d), such Limited Partner will transfer the Units of such Limited Partner to a resident or residents of Canada or, at the option of the General Partner, elect in accordance with the regulations to the Tax Act to be treated as a resident of Canada concerning the Limited Partner's income from the Partnership. If a Limited Partner fails either to make such election or to transfer his Units to a resident or residents of Canada who qualifies to hold Units under the terms of this Agreement, within thirty (30) days of the giving of a notice to such nonresident Limited Partner to so transfer his Units or to make such election, the General Partner will be entitled to sell such Units on behalf of such non-resident Limited Partner on such terms and conditions as it deems reasonable and may itself become the purchaser of such Units. On any such sale by the General Partner the price will be the fair market value for such Units as determined by an independent appraiser appointed by the General Partner, whose appraisal will be final and binding on the Limited Partnership, the General Partner and the Limited Partners so affected. The cost of such appraisal will be borne by those Limited Partners whose Units are sold by the General Partner and may be deducted from the proceeds of such sale together with any other expenses incurred in connection therewith.

## **2.9 Compliance with Laws**

Each Limited Partner and the Initial Limited Partner will, on request by the General Partner, immediately execute all certificates, declarations, instruments and documents necessary to comply with any law or regulation of any jurisdiction in Canada in regard to the formation, continuance, operation or dissolution of the Limited Partnership.

## **2.10 Limitation on Authority of Limited Partners**

A Limited Partner may from time to time inquire as to the state and progress of the business of the Limited Partnership and may provide comment as to its management; however, no Limited Partner will:

- (a) take part in the control or management of the business of the Limited Partnership;
- (b) transact any business on behalf of the Limited Partnership or execute any document which binds or purports to bind the Limited Partnership, the General Partner, the Initial

Limited Partner or any other Limited Partner as such;

- (c) hold such Limited Partner out as having the power or authority to bind the Limited Partnership, the General Partner, the Initial Limited Partner or any other Limited Partner as such;
- (d) have any authority to undertake any obligation or responsibility on behalf of the Limited Partnership (except that the General Partner may act on behalf of the Limited Partnership notwithstanding that it may also be a Limited Partner); or
- (e) bring any action for partition or sale in connection with the Limited Partnership's interest in the Oil and Gas Properties or any other assets of the Limited Partnership, whether real or personal, or register or permit any lien or charge in respect of the Units of such Limited Partner to be filed or registered or remain undischarged against the Limited Partnership's interest in the Oil and Gas Properties in respect of such Limited Partner's interest in the Limited Partnership.

The Limited Partners will comply with the provisions of all applicable legislation, including the Act in force or in effect from time to time and will not take any action which will jeopardize or eliminate the status of the Limited Partnership as a limited partnership.

#### **2.11 Number of Partners**

The Limited Partnership will at all times have at least one General Partner and one or more Limited Partners.

#### **2.12 Initial Limited Partner**

Upon the issuance of Units to any Investor the Limited Partnership will return to the Initial Limited Partner the balance in its capital account and the balance in its current account whereupon the Initial Limited Partner will cease to be a partner of the Limited Partnership.

### **ARTICLE 3 THE GENERAL PARTNER**

#### **3.1 Authority of the General Partner**

Subject to those matters requiring an Ordinary Resolution or a Special Resolution, and subject to the provisions of the Act, the General Partner will carry on the business of the Limited Partnership with full and exclusive, discretion, power and authority to administer, manage, control and operate the business of the Limited Partnership, and to do or cause to be done any act, take or cause to be taken any proceeding, make or cause to be made any decision and execute and deliver or cause to be executed and delivered any instrument, deed, agreement or document necessary, appropriate or incidental to the carrying on of the business of the Limited Partnership. No person dealing with the Limited Partnership is required to verify the authority of the General Partner to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf of or in the name of the Limited Partnership. The General Partner may execute any document or instrument under seal or without a seal as it deems appropriate notwithstanding whether or not any document authorizing it to act on behalf of the Limited Partnership or any Limited Partner was executed under seal.

#### **3.2 Specific Powers of the General Partner**

Without limiting the generality of Section 3.1 hereof, it is acknowledged and agreed that the General Partner is authorized, at all appropriate times and from time to time, on behalf of and without further authority from the Limited Partners, to do all things which in its sole judgment are necessary, proper or

desirable to carry on the business and purposes of the Limited Partnership including but not limited to the following:

- (a) to act as the Registrar and Transfer Agent for the Limited Partnership, or retain another person to so act;
- (b) to engage such counsel and other professional advisers or consultants as the General Partner considers advisable in order to perform its duties hereunder;
- (c) to open and operate, either in its own name or in the name of the Limited Partnership, separate bank accounts, and to designate from time to time the signatories to such accounts, in order to deposit and to distribute funds with respect to the Limited Partnership;
- (d) to execute, deliver and carry out all other agreements, documents and instruments which from time to time require execution by or on behalf of the Limited Partnership, or which the General Partner may, in its discretion, determine appropriate, necessary and advisable in pursuing the business of the Limited Partnership, and without limiting the generality of the foregoing, to enter into financing, sales, agency and other agreements and arrangements in connection with the offering and sale of Units, with the Promoter or otherwise;
- (e) to pay all taxes, fees and other expenses relating to the orderly maintenance, repair, management and operation of the business of the Limited Partnership;
- (f) to file all reports, returns, elections, determinations, designations and other filings under the Tax Act or any other taxation or other legislation or laws of like import of Canada or of any provinces or jurisdictions in respect of the affairs of the Limited Partnership or of a Partner's interest in the Limited Partnership;
- (g) to act on behalf of the Limited Partnership with respect to any and all actions and other proceedings pertaining to the Limited Partnership or the Oil and Gas Properties, other assets or affairs of the Limited Partnership brought by or against the Limited Partnership;
- (h) to determine the amount and type of insurance coverage to be maintained in order to protect the Limited Partnership from all usual perils of the type covered in respect of comparable properties and businesses to that of the Limited Partnership and in order to comply with the requirements of the lenders of funds to the Limited Partnership;
- (i) to determine the amount, if any, to be claimed by the Limited Partnership in any year in respect of capital cost allowance and other discretionary deductions and reserves;
- (j) to hold the Limited Partnership assets and any properties in the name of the General Partner, the Limited Partnership or other designated person, or cause the Oil and Gas Properties to be held in trust for the Limited Partnership in circumstances where the General Partner considers such manner of holding title to be expedient or appropriate;
- (k) to purchase, lease or acquire assets or property on behalf of the Partnership or sell, lease, transfer or otherwise dispose of the whole or any part of the Partnership's assets or property, all on such terms and conditions as the General Partner may determine;
- (l) to invest funds not immediately required for the business of the Limited Partnership in short term securities or accounts;
- (m) to provide or arrange for the provision of such financial and other reporting functions as

may be required by the provisions hereof, the Act, other applicable laws, or applicable securities regulatory authorities;

- (n) to make distributions of Available Cash Flow and Extraordinary Net Cash Receipts should it be required;
- (o) to borrow money for and on behalf of the Limited Partnership and to give security therefor, in the name of the Limited Partnership or the General Partner, for the purposes of the Partnership including, without limitation, for the purpose of financing and refinancing the Limited Partnership's interest in the Oil and Gas Properties or the business and operations of the Limited Partnership, including for the purpose of effecting Redemptions;
- (p) to grant and execute debentures, promissory notes, mortgages, documents and other instruments charging the whole or any part of the Partnership's assets and undertaking and any undivided interest of the Limited Partners in such assets and to do all acts relating thereto as may be necessary or desirable to further the business of the Partnership;
- (q) to oversee the acquisition, development, construction, operation, management and sale of the Oil and Gas Properties;
- (r) to sell or lease all or any portion of the Oil and Gas Properties;
- (s) to select the Oil and Gas Properties and to subsequently substitute or replace such Oil and Gas Properties with different Oil and Gas Properties;
- (t) to enter into farmout agreements with Affiliates and Associates of the General Partner for developing drilling projects;
- (u) to establish and hold an interest in one or more bodies corporate, partnerships, trusts or other organizations so that the business of the Limited Partnership may be conducted in the most tax-effective manner, or which may be necessary or advisable with respect to the business of the Limited Partnership;
- (v) to oversee the distribution of the assets of the Partnership after payment or satisfaction of the liabilities of the Partnership in accordance with Article 11;
- (w) to execute any and all other deeds, documents and instruments and to do or cause to be done all acts and things as may be necessary or desirable to carry out the intent and purpose of this Agreement, including, without limitation, retaining qualified agents to carry out any of the foregoing;
- (x) to employ or engage from time to time, at the expense of the Partnership, persons to render the type of services generally needed to accomplish the Partnership purposes, including but not limited to geologists, engineers, accountants, attorneys, and other consultants and employees. Employment of such persons by the General Partner shall be on such terms and for such reasonable compensation as are in accordance with generally accepted business practices. Such persons may include Affiliates or Associates of the General Partner, provided that the compensation paid to any such person is generally consistent with the compensation which the Partnership would be required to pay to other persons not affiliated with the General Partner for comparable services;
- (y) to execute and deliver on behalf of, and in the name of the Partnership, any and all documents or instruments of any kind which the General Partner may deem appropriate



in carrying out the purposes of the Partnership, including, without limitation, sales contracts, deeds, deeds of trust, notes, leases, subleases, mortgages, bills of sale, escrow agreements, or other agreements, documents or instruments of any kind or character, or amendments thereto;

- (z) (i) to enter into hedging agreements to fix the price or to set "floors" and "ceilings" of any oil and gas production sold by the Partnership; (ii) forward sales of oil and gas production; (iii) purchase production "puts" and sell production "calls" in swap transactions; (iv) enter into "collar" transaction; and (v) covered calls;
- (aa) to purchase producing Oil and Gas Properties from existing limited partnerships in which the General Partner or an Affiliate or Associate of the General Partner serves as the General Partner. The purchase price for such Oil and Gas Properties will be determined by an independent appraisal. The purchase price will be either in cash or Units based on a price of \$1,000.00 per Unit; and
- (bb) to approve any sale or refinancing of the Limited Partnerships interest in the Oil and Gas Properties and to undertake any and all action necessary or desirable to complete such sale or refinancing, including the execution and delivery of any agreements, documents or financing agreements, or the granting of any mortgages or other security relating to the sale or refinancing.

### **3.3 Reimbursement of General Partner**

The General Partner is entitled to reimbursement by the Limited Partnership for all reasonable third party costs and expenses actually incurred by it on behalf of the Limited Partnership in the ordinary course of business or other costs and expenses incidental to acting as General Partner to the Limited Partnership which are incurred provided that the General Partner is not in default of its duties hereunder, in connection with such costs and expenses.

### **3.4 Amendment of Agreement**

The General Partner may, without prior notice to or consent from the Initial Limited Partner or any Limited Partner, amend any provision of this Agreement from time to time:

- (a) for the purpose of adding to this Agreement any further covenants, restrictions, deletions or provisions which, in the opinion of the General Partner, acting reasonably, are necessary for the protection of the Limited Partners;
- (b) to cure any ambiguity or to correct or supplement any provisions contained herein, which, in the opinion of the General Partner, acting reasonably, may be defective or inconsistent with any other provisions contained herein, and with respect to which, in the General Partner's reasonable opinion, the cure, correction or supplemental provision does not and will not substantially adversely affect the interests of the Limited Partners;
- (c) to make such other provisions in regard to matters or questions arising under this Agreement, which, in the opinion of the General Partner, acting reasonably, do not and will not substantially adversely affect the interests of the Limited Partners; or
- (d) to make such amendments or deletions to take into account the effect of the change in, amendment of, or repeal of any applicable regulation or legislation, which, in the opinion of the General Partner, acting reasonably, do not and will not substantially adversely affect the interests of the Limited Partners.

The Limited Partners will be notified of full details of such amendment to this Agreement within thirty (30)

days of the effective date of the amendment.

Unless otherwise provided for herein, this Agreement may otherwise only be amended on the initiative of the General Partner with the consent of the Limited Partners given by Special Resolution, but no such amendment that adversely affects the rights of the General Partner may be made without the approval of the General Partner.

### **3.5 Power of Attorney**

Each Limited Partner hereby irrevocably nominates, constitutes and appoints the General Partner, with full power of substitution as the true and lawful attorney and agent of such Limited Partner, with full power and authority in the name, place and stead and for the use and benefit of such Limited Partner to do the following, namely:

- (a) execute, swear to, acknowledge, deliver and record or file as and where required any and all of the following:
  - (i) this Agreement and all declarations and certificates of change required under the Act or any other applicable legislation and other instruments necessary to form, qualify or continue and keep in good standing the Limited Partnership as a limited partnership under the Act or any other applicable laws;
  - (ii) all instruments, declarations and certificates necessary to reflect any amendment to this Limited Partnership Agreement;
  - (iii) any filing or election made pursuant to any applicable tax legislation including the Tax Act;
  - (iv) any certificates of fictitious or trade names;
  - (v) all documents and instruments relating to the admission of additional or substituted Limited Partners; and
  - (vi) all conveyances, agreements and other instruments or documents deemed necessary or desirable by the General Partner to reflect the dissolution and termination of the Limited Partnership including cancellation of any certificates or declarations and the execution of any elections or making of any filings under the Tax Act, and any analogous provincial legislation, as any of the same may be amended or re-enacted from time to time;
- (b) execute and file with any governmental body or instrumentality thereof of the Government of Canada or a province thereof or the Government of the United States or a state thereof any documents necessary to be filed in connection with the business, property, assets and undertaking of the Limited Partnership;
- (c) execute and deliver any documents or instruments required in connection with any Refinancing or any amendments thereto or renewals thereof;
- (d) execute and deliver all such other documents or instruments on behalf of and in the name of the Limited Partnership and for or on behalf of the Limited Partner as may be deemed necessary or desirable by the General Partner to carry out fully the provisions of this Agreement, in accordance with its terms; and
- (e) complete, amend or modify any documents or instruments executed by a Limited Partner in connection with the Limited Partnership or a Subscription for Units.

To evidence the foregoing, each Limited Partner, in executing a Subscription or in executing an assignment of a Unit, will be deemed to have executed a power of attorney conferring substantially the powers set forth above. The power of attorney granted is irrevocable, is coupled with an interest, will survive the death, disability, incapacity, insolvency or other legal incapacity of a Limited Partner and will survive the assignment, to the extent of the obligations of the Limited Partner hereunder, by the Limited Partner of the whole or any part of the interest of the Limited Partner in the Limited Partnership and extends to bind the heirs, executors, administrators, successors and assigns of the Limited Partner, and may be exercised by the General Partner, executing on behalf of each Limited Partner, by executing any instrument with a single signature as the general partner of the Limited Partnership or as attorney and agent for all of the Limited Partners executing such instrument, or by such other form of execution as the General Partner may determine, and it will not be necessary for the General Partner to execute any instrument under seal notwithstanding the manner of execution of the power of attorney by the Limited Partner. The power of attorney will not merge on the dissolution of the Partnership but will continue in full force and effect thereafter for the purposes of concluding any matters pertaining to the Partnership, to the business previously carried on by the Partnership or to the dissolution of the Partnership and the winding up of its affairs.

Each Limited Partner agrees to be bound by any representation and actions made or taken in good faith by the General Partner pursuant to such power of attorney in accordance with the terms hereof and hereby waives any and all defences which may be available to contest, negate or disaffirm any action of the General Partner taken in good faith under such power of attorney.

### **3.6 Duties of the General Partner**

The General Partner covenants that it will exercise its powers and discharge its duties under this Agreement honestly, in good faith, and in the best interests of the Limited Partners, and that it will exercise the care, diligence and skill of a reasonably prudent person, and will maintain the confidentiality of financial and other information and data which it may obtain through or on behalf of the Limited Partnership, the disclosure of which may adversely affect the interests of the Limited Partnership or a Limited Partner, except to the extent that disclosure is required by law or is in the best interests of the Limited Partnership, and it will utilize the information and data only for the business of the Limited Partnership. The General Partner will be entitled to retain advisors, experts and consultants to assist it in the exercise of its powers and the performance of its duties hereunder.

### **3.7 Income Tax Claims and Deductions**

The General Partner will cause the Limited Partnership to claim the maximum amount allowable in each year for income tax purposes in respect of capital cost allowance and other discretionary deductions and reserves, including costs of initial services incurred by the Limited Partnership, unless to do so would not, in the General Partner's reasonable opinion, be in the best interests of the Limited Partnership and the Limited Partners as a group or would unfairly advantage some Limited Partners to the detriment of others.

### **3.8 Transactions Involving Affiliates or Associates**

The validity of a transaction, agreement or payment involving the Limited Partnership and an Affiliate or Associate of the General Partner is not affected by reason of the relationship between the General Partner and the Affiliate or Associate or by reason of the approval or lack thereof of the transaction, agreement or payment by the directors of the General Partner, all of whom may be officers, directors, or employees of, or otherwise interested in or related to such Affiliate or Associate.

### **3.9 Safekeeping of Assets**

The General Partner is responsible for the safekeeping and use of all of the funds of the Limited Partnership, whether or not in its immediate possession or control, and will not employ or permit another to employ the funds or assets of the Limited Partnership except for the exclusive benefit of the Limited Partnership.

### **3.10 Indemnification**

The Limited Partnership will indemnify and hold harmless the General Partner, its directors, officers, employees, agents and direct and indirect shareholders from and against any and all losses, costs, expenses, liabilities and damages (including reasonable legal fees) incurred by the General Partner, its directors, officers, employees or agents by reason of acts, omission or alleged acts or omissions arising out of the activities of the General Partner on behalf of the Limited Partnership or in furtherance of the interests of the Limited Partnership, but only if the acts, omissions or the alleged acts or omissions in respect of which any actual or threatened action, proceeding or claim are based, were performed in good faith and were not performed or omitted to be performed fraudulently or in bad faith or as a result of the gross negligence of the General Partner, its directors, officers, employees or agents. In no event, however, will the provisions of this Section 3.10 expand upon a Limited Partner's liability beyond the amount of capital contributed or agreed to be contributed to the Limited Partnership by such Limited Partner, as stated in the declaration or certificate filed pursuant to the Act relating to the Limited Partnership, and the share of such Limited Partner of the undistributed income of the Limited Partnership.

### **3.11 Restrictions Upon the General Partner**

The General Partner's power and authority does not extend to any power, action or authority enumerated in Sections 10.15 or 10.16 hereof, unless and until the requisite Special Resolution or Ordinary Resolution is passed by the Limited Partners. In addition, the General Partner will not:

- (a) cause the Limited Partnership to guarantee the obligations or liabilities of or make loans to the General Partner, or any Affiliate or Associate of the General Partner, provided that the General Partner may cause the Limited Partnership to grant a guarantee, make loans or otherwise provide financial assistance to the General Partner or an Affiliate or Associate of the General Partner where such guarantee, loan or financial assistance is given in connection with or in furtherance of the business of the Limited Partnership;
- (b) commingle the funds of the Limited Partnership with the funds of the General Partner or any other person; or
- (c) make a call for additional capital contributions by the Limited Partners, except as provided herein or except after having received the approval of the Limited Partnership by way of Special Resolution.

### **3.12 Employment of an Affiliate or Associate**

The General Partner may employ or retain an Affiliate or Associate on behalf of the Limited Partnership to provide goods or services to the Limited Partnership, provided that the cost of such goods or services is reasonable and competitive with the cost of similar goods or services provided by an independent third party.

### **3.13 Removal of General Partner**

The General Partner will not be removed as General Partner of the Partnership except as provided herein.

The General Partner will be deemed to resign as the General Partner in the event of the bankruptcy, dissolution, insolvency, liquidation or winding up of the General Partner or the appointment of a trustee, receiver or receiver-manager of the affairs of the General Partner. Unless the Limited Partners resolve, by Special Resolution, to dissolve the Limited Partnership upon the occurrence of any such event or upon the resignation, retirement or withdrawal of the General Partner from the Partnership, effective immediately prior to the occurrence of any such event, a successor general partner appointed pursuant hereto will assume all of the responsibilities of the General Partner and will have full authority to manage and operate the business of the Limited Partnership and exercise all of the rights and powers of the General Partner. The General Partner covenants not to resign or withdraw from the Limited Partnership unless its successor has been appointed and has agreed to assume the obligations of the General Partner hereunder.

The Limited Partners may not remove the General Partner except in circumstances where the General Partner has committed an act of gross negligence, willful misconduct, bad faith or dishonesty or is in material default of its obligations hereunder and such default has not been remedied after notice from the Limited Partners and, in such circumstances, the Limited Partners may remove the General Partner by Special Resolution but only if:

- (a) the Limited Partners appoint, concurrently with the removal, a replacement General Partner (the "New General Partner") to assume all of the responsibilities and obligations of the removed General Partner (the "Former General Partner") under this Agreement;
- (b) the New General Partner causes to be delivered to the Former General Partner a release of any further liabilities, responsibilities and obligations under this Agreement and the Limited Partnership will hold harmless the Former General Partner from and against all actions, claims, causes, demands, losses, damages and expenses with respect to events which occur in relation to the Limited Partnership after the appointment of the New General Partner;
- (c) the New General Partner, prior to assuming its responsibilities as the General Partner under the terms of this Agreement, executes such documents as may be reasonably required by the Former General Partner to give effect to such assumption, and from and after registration of an effective declaration of change or amended certificate under the Act or any other applicable legislation, the New General Partner will assume the powers, duties and obligations of the Former General Partner under this Agreement and will be subject to the terms hereof, and for the purposes of this Agreement, the New General Partner will thereafter be the General Partner in the place of the Former General Partner so replaced; and
- (d) the Former General Partner assigns its interest in the Limited Partnership to the New General Partner for an amount equal to the credit balance outstanding in the capital account of the Former General Partner as at the effective date of removal.

The replacement of the Former General Partner as aforesaid will not dissolve the Limited Partnership, and the business of the Limited Partnership will be continued by the New General Partner, and each Limited Partner hereby consents to the business of the Limited Partnership being continued by the New General Partner.

### **3.14 Continuation of the Partnership**

It is the intention of the parties that upon the bankruptcy, retirement or dissolution of the General Partner, the business of the Partnership will be continued without interruption unless the Limited Partners resolve by Special Resolution to dissolve the Partnership.

### **3.15 Appointment of Successor General Partner**

The Limited Partners may appoint by Ordinary Resolution a corporation to serve as a successor General Partner as required by Sections 3.16, 3.17 and 3.18. To the extent the Limited Partners do not by Ordinary Resolution appoint a successor General Partner within thirty (30) days of notice that such appointment is required by Section 3.16, 3.17 or 3.18, then the General Partner, covenants and agrees to appoint a corporation to act as a successor General Partner.

### **3.16 Retirement of the General Partner**

The General Partner hereby agrees and covenants that it will not retire, resign or otherwise withdraw from the Partnership prior to the appointment of a successor general partner who will agree to be bound by the provisions of this Agreement. The resignation or withdrawal of the General Partner will not be effective until such time as a successor is appointed in accordance with Section 3.15. The Partnership and the Limited Partners will have the right to enforce this Section 3.16 without the consent or joinder of the General Partner and the General Partner and any successor general partner hereby consent to any equitable remedies, including temporary and/or permanent injunctions or specific performance preventing the retirement or withdrawal of the General Partner or any successor general partner. Upon the retirement or withdrawal of the General Partner, the General Partner and the successor to the General Partner hereby covenant and agree to continue the business of the Partnership without interruption.

### **3.17 Bankruptcy of the General Partner**

The General Partner hereby agrees and covenants that it will not file or otherwise commence bankruptcy proceedings prior to the appointment of a successor general partner who will agree to be bound by the provisions of this Agreement. Any filing or commencement of bankruptcy proceedings in respect of the General Partner will not be effective until such time as a successor is appointed in accordance with Section 3.15. The Partnership and the Limited Partners will have the right to enforce this Section 3.17 without the consent or joinder of the General Partner and the General Partner and any successor general partner hereby consent to any equitable remedies, including temporary and/or permanent injunctions or specific performance preventing such filings or proceedings. Upon the bankruptcy of the General Partner, the General Partner and the successor to the General Partner hereby covenant and agree to continue the business of the Partnership without interruption.

### **3.18 Dissolution of General Partner**

The General Partner hereby agrees and covenants that it will not dissolve, liquidate or otherwise cease to exist prior to the appointment of a successor general partner who will agree to be bound by the provisions of this Agreement. The Partnership and the Limited Partners will have the right to enforce this Section 3.18 without the consent or joinder of the General Partner and the General Partner and any successor general partner hereby consent to any equitable remedies, including temporary and/or permanent injunctions or specific performance preventing the dissolution or withdrawal, of the General Partner or any successor general partner. Upon the dissolution or withdrawal of the General Partner after the appointment of a successor in accordance with Section 3.15, the General Partner and the successor to the General Partner hereby covenant and agree to continue the business of the Partnership without interruption.

### **3.19 Prohibition on Non-Corporate General Partners**

The Limited Partners and the General Partner hereby covenant and agree that no individuals or entities, other than corporations, may be admitted as general partner of the Partnership and that any successor general partner admitted to the Partnership will be a corporation.

### **3.20 Valuation and Sale of Interest of Former General Partner**

If the business of the Limited Partnership is continued after the resignation, deemed resignation, removal or retirement of the General Partner under this Article 3, the Partnership will purchase from such former General Partner its interest in the Limited Partnership for a price equal to the fair market value of such interest ("Fair Market Value"), which will not include any allowance for goodwill, trade names, patents or other intangible assets owned by the Limited Partnership. Such Fair Market Value will be determined either by agreement between the Limited Partnership and the former General Partner or its personal representative or by agreement of two independent appraisers, one selected by the Limited Partnership and one selected by the former General Partner or its personal representative. If such appraisers are unable to agree on the value of the former General Partner's interest in the Limited Partnership, they will appoint a third independent appraiser whose appraisal must be between the two prior appraisals and whose determination as to value will be final and binding. The cost of such appraisals will be borne in equal amounts by the former General Partner and the Limited Partnership.

Promptly after the determination of the Fair Market Value, the Limited Partnership will pay to the former General Partner in cash an amount equal to twenty (20%) percent of such Fair Market Value and will deliver to such former General Partner a promissory note for the balance payable in four equal consecutive annual installments commencing on the first anniversary of the date of such note, provided that the full balance due under such note will be repayable upon a sale or Refinancing of the Oil and Gas Properties and any proceeds from such a sale or Refinancing will be paid first to the former General Partner up to an amount equal to such balance. The outstanding amount of such promissory note will bear interest per annum at the Prime Rate plus two (2%) percent, which interest will be due and payable annually on the date the principal payment for such year is due and payable.

## **ARTICLE 4 OBLIGATIONS OF PARTNERS**

### **4.1 Unlimited Liability of the General Partner**

The General Partner has unlimited liability for the debts, liabilities, losses and obligations of the Limited Partnership.

### **4.2 Limited Liability of Limited Partners and Initial Limited Partner**

Subject to the provisions of the Act and any specific assumption of liability, the liability of each Limited Partner and the Initial Limited Partner for the debts, liabilities, losses and obligations of the Limited Partnership is limited to the amount of the capital contributed or agreed to be contributed to the Limited Partnership by such Limited Partner in respect of such Limited Partner's Units, as stated in the declaration or any amending declaration or certificate filed pursuant to the Act relating to the Limited Partnership, plus any additional capital required or agreed to be contributed by Limited Partners pursuant to the provisions hereof, plus its share of any undistributed income of the Limited Partnership as hereinafter provided.

### **4.3 Indemnity by General Partner**

The General Partner will indemnify and save harmless each Limited Partner from and against any and all costs, damages, liabilities or expenses incurred by a Limited Partner as a result of the liability of the Limited Partner not being limited in the manner herein described, except where caused by the act or omission of such Limited Partner.

The General Partner will indemnify and save harmless the Limited Partnership from and against any and all costs, damages, liabilities and expenses incurred by the Limited Partnership as a result of any breach by the General Partner of its duties under this Agreement, including reasonable legal expenses incurred by the Limited Partnership in defending an action based in whole or in part upon an allegation that the General Partner has been guilty of such breach if such defence is substantially unsuccessful.

## **ARTICLE 5 THE UNITS**

### **5.1 Capital**

The capital of the Limited Partnership will consist of:

- (a) an unlimited number of Units, with a stated capital of \$1,000.00 per Unit or such greater amount per Unit as may be determined by the General Partner from time to time in its sole discretion, subject to a discount to the stated capital as may be determined by the General Partner from time to time in its sole discretion of not more than 10%; and
- (b) the General Partner's initial capital contribution of \$10.00 which has been paid by the General Partner upon execution of this Agreement;

Selling commissions and administrative costs of no more than 15% (\$150.00) will be deducted from the Unit price (\$1,000.00) at the time of purchase by the Limited Partner.

### **5.2 Nature of Unit**

The holder of each Unit will have the right to exercise one vote for each Unit held by the Limited Partner in respect of all matters to be decided by the Limited Partners. Limited Partners will be entitled to receive allocations of income or loss, distributions on wind-up or other dissolution, or any return of capital, *pro rata* in accordance with their respective Proportionate Shares. Except as otherwise provided herein, no Unit will have any preference or right in any circumstances over any other Unit.

No transfer of a fraction of a Unit will be permitted.

### **5.3 Unit Certificates**

Subject to Section 5.13 hereof, the General Partner shall issue to each Limited Partner a Unit Certificate representing the Units owned by such Limited Partner. A Unit Certificate will be in such form as is from time to time approved by the General Partner and will not be valid unless signed by the General Partner.

### **5.4 Receipt by Limited Partner**

The receipt of any money, securities and other property from the Limited Partnership by a person in whose name any Units are recorded, or if such Units are recorded in the names of more than one person, the receipt thereof by any one of such persons, or by the duly authorized agent of any such person in that regard, will be a sufficient and proper discharge for that amount of money, securities and other property payable, issuable or deliverable in respect of such Units and from all liability to see to the application thereof.

### **5.5 Registrar and Transfer Agent**

- (a) The General Partner, or such other person as may be appointed from time to time by the General Partner, will act as Registrar and Transfer Agent of the Limited Partnership and will maintain such books as are necessary to record the names and addresses of the Limited Partners, the number of Units held by each Limited Partner and particulars of



transfers of Units. The Registrar and Transfer Agent will perform or will cause to be performed, all other duties usually performed by a registrar and transfer agent of certificates of shares in a corporation, except as the same may be modified by reason of the nature of the Units.

- (b) For so long as the General Partner is Registrar and Transfer Agent, the Register will be kept by the General Partner at its registered office in British Columbia and in such other jurisdictions as may be required from time to time.

## **5.6 Inspection of Records**

The General Partner will use the Registrar and Transfer Agent to make the records relating to the Limited Partnership as the General Partner determines to be appropriate or as may be required by applicable legislation including the Act available for inspection by any Limited Partner, or his agent duly authorized in writing, at the expense of the Limited Partner. A copy of the Register will be provided to any Limited Partner on forty-eight hours notice in writing to the Registrar and Transfer Agent, at the expense of the Limited Partner requesting same.

## **5.7 Transfer of Units**

Subject to Section 5.13 hereof, a Unit may be assigned and transferred by a Limited Partner or such Limited Partner's agent duly authorized in writing without restriction and no such transfer or assignment will require any approval or consent from the General Partner or any other Limited Partner. However, the transferor must comply with the applicable securities legislation and the following conditions must be satisfied:

- (a) the transferee has executed, in a form acceptable to the Registrar and Transfer Agent, a transfer form and declaration that the transferee of the Unit is not a non-resident of Canada within the meaning of the Tax Act and is not a non-Canadian within the meaning of the *Investment Canada Act*;
- (b) the transferee agrees to assume the obligations of the transferor that pertain to the Unit transferred;
- (c) the transferee acquires the assigning Limited Partner's capital account and current account;
- (d) the transferee has paid such costs, expenses and disbursements, including legal fees, as are reasonably incurred by the Limited Partnership by reason of the transfer;
- (e) the transferor's Unit Certificate or deposit receipt issued pursuant to this Limited Partnership Agreement for the Units being transferred is surrendered to the Registrar and Transfer Agent; and
- (f) such other requirements as may reasonably be required by the Registrar and Transfer Agent are satisfied,

provided that a transferee of a Unit will not become a Limited Partner in respect of that Unit until all filings and recordings required by law to validly effect a transfer have been duly made.

When a transferee is entitled to become a Limited Partner pursuant to the provisions hereof, the General Partner will be authorized to admit such person to the Limited Partnership as a Limited Partner and the Limited Partners hereby consent to the admission of, and will admit, the transferee to the Limited Partnership as a Limited Partner, without further act of the Limited Partners. The General Partner, or the Registrar and Transfer Agent if not the General Partner, will:

- (a) record in the Register any such assignment and transfer;
- (b) make such filings and cause to be made such recordings as are required by law;
- (c) forward notice of the transfer to the transferee; and
- (d) subject to Section 5.13 hereof, issue and forward a Unit Certificate to the transferee in respect of the Units transferred.

## **5.8 Parties Not Bound to See to Trust or Equity**

Except where specific provision has been made therefor in this Agreement, the Registrar and Transfer Agent will not, nor will the General Partner or any Limited Partner, be bound to see to the execution of any trust, expressed, implied or constructive, or any charge, pledge or equity to which any Unit or any interest therein is subject, or to ascertain or inquire whether any sale or transfer of any such Unit or interest therein by any Limited Partner or his personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any person having any interest therein except for the person or persons recorded as such Limited Partner.

## **5.9 Liability on Transfer**

When an assignment and transfer of any Unit is completed and the transferee is registered as a Limited Partner, the transferor of that Unit will be thereupon relieved of all obligations and liabilities relating to the transferor's Unit, including the obligations and liabilities under this Agreement to the extent permitted by law and the transferee will assume all such obligations and liabilities.

## **5.10 Successors in Interest of Partners**

The Limited Partnership will continue notwithstanding the admission of any new General Partner or Limited Partner or the withdrawal, insolvency, dissolution, liquidation, winding up, bankruptcy or other disability or incapacity of the General Partner or any Limited Partner. The Limited Partnership will be dissolved only in the manner provided for in Section 11.1 hereof.

## **5.11 Incapacity, Death, Insolvency or Bankruptcy**

Where a person becomes entitled to a Unit on the incapacity, death, insolvency or bankruptcy of a Limited Partner, or otherwise by operation of law, in addition to the requirements of Section 5.7 hereof, that person will not be recorded as or become a Limited Partner until:

- (a) the person produces evidence satisfactory to the General Partner of such entitlement;
- (b) the person has agreed in writing to be bound by the terms of this Agreement and to assume the obligations of a Limited Partner under this Limited Partnership Agreement; and
- (c) the person has delivered such other evidence, approvals and consents in respect of such entitlement as the General Partner may require and as may be required by law or by this Limited Partnership Agreement.

## **5.12 Lost Unit Certificate**

Subject to Section 5.13 hereof, where a Limited Partner claims that the Unit Certificate evidencing ownership of its Unit has been defaced, lost, apparently destroyed or wrongly taken, the Registrar and Transfer Agent will cause a new Unit Certificate to be issued, provided that, if requested by the General Partner, the Limited Partner files with the Registrar and Transfer Agent an indemnity bond in such form

and in such amount as may be satisfactory to the General Partner to protect the Registrar and Transfer Agent and the Limited Partnership from any loss, cost or damage that they may incur or suffer by complying with the request to issue a new Unit Certificate and provided further that the Limited Partner satisfies all other reasonable requirements imposed by the Registrar and Transfer Agent, including delivery of a form of proof of loss.

### **5.13 Book-Entry System for Units**

- (a) The General Partner may, at its sole option, specify that some or all of the Units are to be held through CDS, or its nominee, electronically through the NCI system of CDS and in such event the General Partner, on behalf of the Limited Partnership, through the Registrar and Transfer Agent, will electronically deliver the Units registered to CDS or its nominee, and CDS will credit interests in such Units to the accounts of the CDS Participants as directed by the General Partner, on behalf of the Limited Partnership. Units held in CDS will be purchased, transferred and surrendered for redemption through a CDS Participant. All rights of beneficial Limited Partners who hold Units in CDS must be exercised through, and all payments or other property to which such Limited Partners are entitled will be made or delivered by CDS or the CDS Participant through which the Limited Partner holds such Units. Subject to subsection 5.13(b) hereof, a Limited Partner beneficially holding Units through the NCI system will not be entitled to a certificate or other instrument from the Limited Partnership or the Registrar and Transfer Agent evidencing that Limited Partner's interest in or ownership of Units, nor, to the extent applicable, will such Limited Partner be shown on the records maintained by CDS, except through an agent who is a CDS Participant. CDS will be responsible for establishing and maintaining accounts for CDS Participants having interests in Units, and sales of interests in Units can only be completed through CDS Participants.
- (b) Units registered to CDS or its nominee will be issued in fully registered form to beneficial holders or their nominees, other than CDS or its nominee, only if: (i) the Limited Partnership is required to do so by applicable law; (ii) the depositary system of CDS ceases to exist; (iii) the Limited Partnership determines that CDS is no longer willing, able or qualified to discharge properly its responsibility as depositary and the Limited Partnership is unable to locate a qualified successor; or (iv) the General Partner at its sole option elects to prepare and deliver definitive Unit Certificates representing the Units.
- (c) All references herein to actions by, notices given or payments made to Limited Partners shall, where the Units held by such Limited Partners are held through CDS, refer to actions taken by, or notices given or payments made to, CDS upon instruction from the CDS Participants in accordance with CDS's rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Limited Partners evidencing a specified percentage of the aggregate Units outstanding, such direction or consent may be given by Limited Partners acting through CDS and the CDS Participants owning Units evidencing the requisite percentage of the Units. The rights of a Limited Partner whose Units are held through CDS shall be exercised only through CDS and the CDS Participants and shall be limited to those established by law and agreements between such Limited Partners and CDS and/or the CDS Participants or upon instruction from the CDS Participants. Each of the Registrar and Transfer Agent and the General Partner may deal with CDS for all purposes (including the making of payments) as the authorized representative of the relevant Limited Partners and such dealing with CDS shall constitute satisfaction or performance, as applicable, towards their respective obligations hereunder.
- (d) Notwithstanding anything herein or in the terms of the Unit Certificates to the contrary, neither the General Partner nor the Registrar and Transfer Agent nor any agent thereof shall have any responsibility or liability for:

- (i) the records maintained by CDS or its nominee relating to any ownership interests or any other interests in the Units or the NCI system of CDS, or payments made on account of any ownership interest or any other interest of any person in any Unit held by CDS or its nominee;
- (ii) maintaining, supervising or reviewing any records of CDS or any CDS Participant relating to any such interest; or
- (iii) advice or representations made or given by CDS or those contained herein that relate to the rules and regulations of CDS or any action to be taken by CDS on its own direction or at the direction of any CDS Participant.

## ARTICLE 6 RIGHT OF REDEMPTION

### 6.1 Redemption Notice

Units will be redeemable annually during the month of January at any time following the date which is one year from the Date of Issue, subject to applicable law and the terms and conditions set out in this Article 6. A Limited Partner holding Units wishing to redeem the whole or any part of its Units (a **"Redeeming Limited Partner"**) in any given Fiscal Year (a **"Redemption"**) must deliver written notice of such desire (the **"Redemption Notice"**) by no later than January 31<sup>st</sup> of that year. Redemption Notices received prior to January 1<sup>st</sup> or after January 31<sup>st</sup> shall be deemed received on January 1<sup>st</sup> of the subsequent Fiscal Year. The Redemption Notice must be executed by the Redeeming Limited Partner and set out the name of the Redeeming Limited Partner and the number of Units which the Redeeming Limited Partner wishes to redeem.

### 6.2 Valuation

Upon receipt of the Redemption Notice, the General Partner will determine the Proven Reserve Value. For the purposes of Redemption, the **"Proven Reserve Value"** will be determined by a valuation (the **"Valuation"**) carried out by a third party valuator of the present value of the aggregated discounted proven reserves of the Oil and Gas Properties as of the last day of January during the Fiscal Year in which the Redemption Notice is received or deemed received. For the purpose of such valuation, discounted proven reserves are the estimated quantities of oil and natural gas which have been demonstrated to be recoverable in future years with reasonable certainty under existing economic and operating conditions as of the date of the valuation.

### 6.3 Redemption Price and Penalties

Units will be redeemed at a redemption price equal to the Proven Reserve Value less the aggregate amount of all current liabilities of the Partnership as of the redemption date, divided by the number of Units then issued and outstanding (the **"Redemption Price"**). Any Units redeemed prior to the date which is two (2) years from the Date of Issue, will be subject to a penalty of fifteen percent (15%) of the Redemption Price. Any Units redeemed prior to the date which is three (3) years from the Date of Issue, will be subject to a penalty of ten percent (10%) of the Redemption Price.

### 6.4 Notice of Valuation

The General Partner will deliver to the Redeeming Limited Partner a notice in writing (the **"Notice of Valuation"**), containing a summary of the Valuation together with a statement of the Redemption Price, the aggregate amount to be paid by the General Partner to the Limited Partner in order to effect the Redemption (the **"Redemption Amount"**) and the applicability of any terms of the Redemption set out in Section 6.7.

## 6.5 Election Notice

The Redeeming Limited Partner must give notice in writing (the “**Election Notice**”) to the General Partner within 30 days of receipt of the Notice of Valuation of its intention to effect the Redemption in accordance with the terms and conditions set out in the Notice of Valuation. In the event that the Redeeming Limited Partner does not provide an Election Notice within 30 days of receipt of the Notice of Valuation, the Redeeming Limited Partner’s Redemption Notice will be deemed to have been withdrawn and the Redeeming Limited Partner’s Units subject to such Notice will not be redeemed.

## 6.6 Payment of Redemption Amount

Within 15 days of receipt by the General Partner of the Election Notice (the “**Redemption Date**”), the General Partner will pay the Redeeming Limited Partner the Redemption Amount or any portion thereof required to be paid in the manner set out in the Notice of Valuation.

## 6.7 Conditions of Redemption

The Partnership will redeem the Units specified in a Redemption Notice on the Redemption Date, subject to the following terms and conditions:

- (a) the obligation of the Partnership to redeem Units will be subject to the General Partner determining in its sole discretion that sufficient funds are available to the Partnership or may be borrowed in accordance with Section 3.2(o), for the purpose of effecting the Redemption; the General Partner may elect to pay the Redemption Amount, in one of the following ways:
  - (iv) a cash payment to the Limited Partner or its designate on the Redemption Date; or
  - (v) a promissory note payable in three equal annual payments, on the Redemption Date and the first and second anniversary thereof, with interest, compounded annually, at the Prime Rate;
- (b) if the Limited Partnership has received a Redemption Notice or multiple Redemption Notices requiring the Partnership to redeem a number of Units in excess of 5% of the number of Units issued, or if the General Partner determines that sufficient funds may not be obtained by a borrowing on commercially reasonable terms and are not otherwise available to redeem the Units in respect of which a Redemption Notice has been received, then the Redemption will be made *pro rata* to the Units specified on the Redemption Notice(s) for redemption such that each Limited Partner who has given a Redemption Notice to the Partnership will receive a partial redemption of their Units; and
- (c) the Partnership will have no obligation to redeem more than 5% of the issued Units of the Partnership in any one calendar year.

## 6.8 Partial Redemption of Units

Subject to Section 5.13 hereof, a Redeeming Limited Partner who redeems only part of its Units, upon surrender of the Unit Certificate for such Units for payment as required herein, shall be entitled to receive, without expense to such Redeeming Limited Partner, a new Unit Certificate representing the Units remaining, and the Limited Partnership shall execute and deliver, at the expense of the Partnership, such new Unit Certificate upon receipt of the Unit Certificate representing the Unit so surrendered.

## **6.9 Payment Due on Redemption Date**

If the Redemption Amount in connection with a Redemption of a Unit is not made, all rights attaching to such Unit shall revive and continue as if such Unit had not been redeemed.

In case any question shall arise as to whether any Notice of Redemption has been given as above provided and any payments referred to in section 6.6 above made, such question shall be decided by an arbitration conducted in accordance with the *Commercial Arbitration Act* (British Columbia).

## **6.10 Effect of Redemption**

If the Redemption Amount pursuant to the Redemption is paid to the Redeeming Limited Partner, the Redeeming Limited Partner's Units subject to the Redemption Notice shall be cancelled and cease to be outstanding hereunder and the Preferred Return upon such Units shall cease to accrue from the date of payment.

## **6.11 Cancellation of Redemption**

The Redemption with respect to a Unit will be cancelled upon receipt by the General Partner of a notice from the Redeeming Limited Partner to cancel the Redemption or a failure by the Redeeming Limited Partner to provide an Election Notice within the stipulated time. Upon cancellation of the Redemption, the Valuation shall expire with respect to the Redemption of such Unit.

## **6.12 Failure to Surrender Units**

Subject to Section 5.13 hereof, in case any Redeeming Limited Partner fails to surrender the Unit Certificate for such Unit within 30 days of the Redemption Date or shall not within such time accept payment of the Redemption Amount payable in respect thereof, or give such receipt therefor, if any, as the Partnership may require, such Redemption Amount shall be set aside and deposited in a separate account established for such purpose by the Partnership, and such setting aside and depositing shall for all purposes be deemed a payment to the Redeeming Limited Partner of the sum so set aside and deposited and, to that extent, the Redeeming Limited Partner shall have no right except to receive, without interest or deduction, the Redemption Amount so set aside and deposited upon surrender and delivery up of the Unit Certificate representing the Redeeming Limited Partner's.

# **ARTICLE 7 PARTNERSHIP CAPITAL**

## **7.1 Capital Contributions**

- (a) The initial capital of the Limited Partnership will be the aggregate amount of the capital contribution of the General Partner and the Initial Limited Partner, each in the aggregate amount of Ten Dollars (\$10). Thereafter, capital contributions will be made by Limited Partners if, as and when Units are subscribed for and issued. There is an unlimited number of Units and an unlimited authorized capital of the Limited Partnership.
- (b) It is hereby acknowledged and agreed that as of the date hereof the General Partner has made a capital contribution of Ten Dollars (\$10). The General Partner's contribution entitles the General Partner to an interest in the profits of the Limited Partnership as calculated pursuant to Article 8 hereof, and to the return of its Ten Dollars (\$10) capital contributions, and such other rights as are specifically set out herein, and no more.

## **7.2 Subscription By Initial Limited Partner**

The Initial Limited Partner hereby subscribes for and is issued 100 Units at a subscription price of \$0.10 per Unit for the aggregate capital contribution to the Limited Partnership of \$10.00, the receipt of which is hereby acknowledged. Upon the completion of subscription for one or more Units, the Initial Limited Partner will surrender to the Limited Partnership the Units issued to it, which will be cancelled in consideration of the payment of \$10.00.

## **7.3 Discretion of the General Partner in Raising Capital**

Subject to applicable securities laws, the General Partner has complete discretion in determining the terms and conditions of the offering of Units, and the General Partner may do all things which it deems necessary, convenient, appropriate or advisable in connection therewith. All things done or to be done by the General Partner in that regard are hereby ratified and confirmed. Without limiting the generality of the foregoing, the General Partner may raise capital for the Limited Partnership by offering Units for sale and will admit subscribers for Units as Limited Partners of the Limited Partnership. Each Unit will represent a contribution to the capital of the Limited Partnership in the amount of the Subscription Price for the Unit in question.

The Limited Partners hereby ratify, adopt and approve the actions of the General Partner taken or to be taken in connection with the offering of Units for sale by way of private placement including, but not limited to, the distribution of Units to qualified investors on behalf of the Limited Partnership.

## **7.4 Separate Capital Account and Current Account**

A separate capital account and current account will be established and maintained on the books of the Limited Partnership for the General Partner, the Initial Limited Partner, and each Limited Partner. The capital contribution of each partner will be credited to the capital account of such partner, and any distributions on account of capital will be debited against the capital account of the recipient partner. Any allocations of Net Income of the Limited Partnership for accounting purposes to a partner will be credited to the current account of such partner, and any distributions other than capital distributions and any allocations of Net Loss of the Limited Partnership for accounting purposes made to a partner will be debited against the current account of such partner. No Limited Partner will be entitled to withdraw any part of its capital account or to receive any distribution except as provided in this Agreement.

## **7.5 Additional Capital Contributions and Partner Loans**

No Limited Partner will be required to make additional capital contributions to the Limited Partnership. If the Limited Partnership requires additional funding, the General Partner may request that one or more Limited Partners loan funds to the Limited Partnership. In the event that a Limited Partner, in its sole discretion, elects to make a loan to the Limited Partnership then the Limited Partnership will repay the loans, together with interest thereon, in priority to any distributions of Available Cash Flow or Extraordinary Net Cash Receipts.

## **7.6 No Interest Payable**

No Limited Partner will be entitled to receive interest on the amount of its capital contribution or any balance in its capital account from the Limited Partnership. No Limited Partner will be liable to pay interest to the Limited Partnership on any negative balance of capital or on a negative balance in its capital account unless interest may be charged pursuant to a specific provision hereof or is required to be charged pursuant to applicable legislation, including the Act.

## **7.7 Return of Capital**

Save for the redemption right set forth in Article 6, a Limited Partner is only entitled to demand a return of its capital contribution upon the dissolution, winding-up or liquidation of the Limited Partnership as provided in Section 11.2 hereof.

## **ARTICLE 8 ALLOCATIONS AND DISTRIBUTIONS**

### **8.1 Determination of Net Income and Net Loss**

Net Income and Net Loss of the Limited Partnership will be determined by the General Partner in accordance with Canadian generally accepted accounting principles consistently applied, subject to review by the Accountants where a dispute arises and the determination of the Accountants with respect to any such dispute will be binding upon the Limited Partners and the General Partner.

### **8.2 Distributions of Available Cash Flow and Extraordinary Net Cash Receipts**

Subject to Sections 8.4 and 11.2:

- (a) Subject to reserves for Expenses as the General Partner in its discretion considers appropriate, the General Partner will distribute Available Cash Flow monthly, 15 days in arrears of the end of each calendar month, as follows:
  - (i) firstly, to the Limited Partners, *pro rata* in accordance with their respective Proportionate Shares until each has received an amount which, when aggregated with all previous payments under this Section 8.2(a)(i) and under Section 8.2(b)(iv) is equal to (but not in excess of) the sum of such Limited Partner's Preferred Return entitlement from the Date of Issue;
  - (ii) thereafter, the balance of such distributions will be made 50% to the Limited Partners *pro rata* in accordance with their respective Proportionate Shares and 50% to the General Partner.
- (b) subject to reserves as the General Partner in its discretion considers appropriate, the General Partner will distribute Extraordinary Net Cash Receipts as and when funds are received and are available for distribution as follows:
  - (i) firstly, to repay all current obligations of the Partnership, including without limitation, any loans advanced by the General Partner or the Limited Partners, plus accrued interest;
  - (ii) secondly, to fund reserves for contingent liabilities to the extent the General Partner considers necessary;
  - (iii) thirdly, to the Limited Partners *pro rata* according to the Proportionate Share of each Limited Partner until each Limited Partner has received payment in full of an amount equal to the Subscription Price of such Limited Partner's Units;
  - (iv) fourthly, to the Limited Partners, *pro rata* in accordance with their respective Proportionate Shares, until each has received an amount which, when aggregated with all previous payments under Section 8.1(a)(i) and under this Section 8.2(b)(iv) is equal to (but not in excess of) the sum of such Limited Partner's Preferred Return entitlement from the Date of Issue; and



- (v) fifthly, the balance will be distributed 50% to the Limited Partners and 50% to the General Partner.
- (c) Notwithstanding the foregoing, upon any sale of a Property which closes on or before February 28, 2015, the General Partner may in its discretion retain for re-investment by the Limited Partnership the net proceeds from such sale, including any gain on the sale, provided that the Limited Partnership will distribute to the Limited Partners an amount estimated by the General Partner to be required by the Limited Partners to pay any income or other taxes arising as a result of such sale.

### **8.3 Allocation of Net Income and Net Loss**

Subject to Sections 8.6 and 8.7, the Net Income for each Fiscal Year of the Partnership will be allocated among the partners as at the end of such Fiscal Year on the following basis:

- (a) first, to each Limited Partner *pro rata* in accordance with such Limited Partner's Proportionate Share, and the General Partner, an amount of Net Income which, when aggregated with all previous distributions under this Section 8.3(a) is equal to, but not in excess of, the aggregate of Net Losses which have previously been allocated to that Limited Partner or General Partner;
- (b) secondly, to the Limited Partners, *pro rata* in accordance with their respective Proportionate Shares, an amount of Net Income equal to the Preferred Return until each has received an amount which, when aggregated with all previous Payments, is equal to (but not in excess of) the sum of such Limited Partner's Preferred Return entitlement from the Date of Issue; and
- (c) thirdly, the balance of the Net Income will be allocated 50% to the Limited Partners *pro rata* in accordance with their respective Proportionate Shares, and 50% to the General Partner.

The Net Loss for each Fiscal Year of the Partnership will, subject to Section 8.5, be allocated to the Limited Partners *pro rata* in accordance with the Proportionate Share of each Limited Partner. Any excess of Net Loss which is precluded from being allocated to Limited Partners under Section 8.5 will be allocated to the General Partner.

### **8.4 Preferred Return Limits**

- (a) The right to receive the Preferred Return in respect of a Unit will terminate at the end of the Preferred Return Period.
- (b) Notwithstanding the termination of the Preferred Return due to the expiry of the Preferred Return Period under Section 1.1 (x)(i), any amount of the Preferred Return which has accumulated but has not been paid will remain payable in accordance with Sections 8.2(a), 8.2(b) and 8.3(b).
- (c) Upon the termination of the Preferred Return due to the expiry of the Preferred Return Period under Section 1.1 (x)(ii), Sections 8.2(a)(i), 8.2(b)(iv) and 8.3(b) will be of no further force and effect.

### **8.5 No Negative Capital Accounts**

The General Partner will not allocate Net Losses to a Limited Partner if after the allocation, the Limited Partner would have a negative balance in its capital account. Notwithstanding the provisions of Section 8.3, if any Limited Partner has a negative balance in the Limited Partner's capital account, the General

Partner will have the right to allocate Net Income to that Limited Partner in priority to other Limited Partners to the extent of the negative balance.

#### **8.6 General Partner Discretion**

The General Partner will have the discretion, acting in good faith, to allocate revenue and expenses on a daily, incremental basis to ensure a fair distribution among Limited Partners after taking into consideration any matters that may be relevant. Adjustments may be made in respect of revenue earned or expenses incurred prior to the time each Limited Partner became a Limited Partner of the Partnership and adjustments may be made in respect of fees paid in Fiscal Years prior to the Fiscal Year in which the Limited Partner became a Limited Partner. In calculating Net Income and Net Loss to be allocated to each Limited Partner, adjustments may be made to ensure that allocations to any Limited Partner in respect of fees and expenses incurred by the Partnership will not, on a cumulative basis, exceed such Limited Partner's Proportionate Share of the aggregate amount of such fees paid by the Limited Partnership. The General Partner will also have the right to allocate revenues and expenses among Limited Partners to ensure they are treated equitably taking into account differences that may arise as a result of the acquisition of Units at different times in a Fiscal Year or in different Fiscal Years.

#### **8.7 Effect of Assignment**

If, during any Fiscal Year, a Limited Partner assigns or transfers a Unit, such Limited Partner is not entitled to, and the General Partner will not distribute to that Limited Partner, any share of funds available for distribution in respect of the Unit transferred and will not allocate any Net Income or Net Loss to that Limited Partner's capital account as of the date of transfer, but will allocate the Net Income or Net Loss to the capital account of the registered holder of the Unit as at the end of the Limited Partnership's Fiscal Year.

#### **8.8 Overpayments**

In the event of any overpayment to a Limited Partner, such overpayment will be refunded by such Limited Partner to the Limited Partnership, and any underpayment will be paid by the Limited Partnership to the Limited Partners, within 30 days of the final determination of such underpayment or overpayment.

#### **8.9 Adjustments**

If the Accountants determine that the share of a Limited Partner in the distribution of funds or allocation of Net Income or Net Loss, calculated in accordance with this Limited Partnership Agreement, differs from the Limited Partner's share as determined by the General Partner, then the determination of the Accountants will be deemed to be final and binding upon the Limited Partnership and the Limited Partners. The General Partner will cause the necessary adjustments to be made by payment or reallocation to or from the Limited Partner as the case may be.

#### **8.10 Payment of Adjustments**

The General Partner will, within seven (7) days after receiving a report of the Accountants under Section 8.9 hereof, notify in writing each Limited Partner whose share of distributions or of the allocation of Net Income or Net Loss is to be adjusted, of the amount of the adjustment, together with a cheque for the amount payable to the Limited Partner or a request for payment in respect of the amount payable by the Limited Partner, as the case may be. Each Limited Partner hereby agrees to pay any amount owing by the Limited Partner under Section 8.9, within fifteen (15) days from the date of notice of an adjustment given under this Section 8.10. If such amount is not paid within such 15 day period, such amount will thereafter bear interest at the Prime Rate plus two percent (2%), calculated and compounded monthly from the date of expiry for such 15 day period. Any unpaid amount together with interest thereon may be deducted from any distributions that the Limited Partner may otherwise be entitled to.

### **8.11 Liability as between Limited Partners**

No Limited Partner will be responsible for any of the losses of any other Limited Partner, nor share in the income or allocation of tax deductible expenses attributable to the Units of any other Limited Partner.

### **8.12 Withholding Tax**

If the Limited Partnership is required by any applicable income tax or similar legislation to withhold with respect to income allocated to or distributed to, a partner of the Limited Partnership, the amount withheld by the Limited Partnership will be treated as a distribution of Available Cash Flow or Extraordinary Net Cash Receipts (a "**Withholding Distribution**"), whichever the case may be, to the partner to whom such withholding relates. The General Partner will have the full discretion to determine whether any such withholding taxes are required to be paid and the amount of any such withholding taxes. The General Partner will have full authority and discretion to determine the proper method or methods for assuring that Withholding Distributions are treated in a manner consistent with the provisions for distribution to Limited Partners contained herein.

## **ARTICLE 9 ACCOUNTING AND REPORTING**

### **9.1 Books and Records**

The General Partner will keep or cause to be kept on behalf of the Limited Partnership books and records reflecting the assets, liabilities, income and expenditures of the Limited Partnership and the Register listing all Limited Partners and the Units. Such books, records and Register will be kept available for inspection by any Limited Partner or its duly authorized representative (at the expense of such Limited Partner) during business hours at the offices of the General Partner. In the event the General Partner ceases to be the Registrar and Transfer Agent, the Register will thereupon be maintained at the office of such Registrar and Transfer Agent as may be appointed by the General Partner, provided a duplicate of such Register is maintained at the registered office of the Limited Partnership.

### **9.2 Annual Financial Information**

The General Partner, or its agent in that behalf, will be responsible for the preparation of annual financial statements of the Limited Partnership as at the end of each Fiscal Year of the Limited Partnership. The General Partner, or its agent on its behalf, will distribute a copy of such annual financial statements to each Limited Partner within ninety (90) days after the end of each Fiscal Year and will provide each Limited Partner with annual income tax information for each Fiscal Year by March 31 of the following year (other than the Fiscal Year in which the Limited Partnership is dissolved, in which case the General Partner will provide such information within five months of the date of dissolution) to assist in declaring his, her or its share of the Limited Partnership income; provided however, each Limited Partner will be solely responsible for filing all income tax returns and reporting his, her or its share of the Limited Partnership income or loss. All financial statements will be prepared in accordance with Canadian generally accepted accounting principles applied on a consistent basis.

## **ARTICLE 10 MEETINGS**

### **10.1 Meetings**

The General Partner may convene meetings of the Limited Partners at any time and upon the written request of one or more Limited Partners holding not less than 50% of the number of all issued and outstanding Units (the "**Requisitioning Partner(s)**"). If the General Partner fails or neglects to call such a meeting within 60 days of receipt of such written request, then any Requisitioning Partner may convene such meeting by giving notice to the Limited Partners in accordance with this Agreement, signed by such

person or persons as the Requisitioning Partners specify. Every meeting, however convened, will be conducted in accordance with this Agreement. There is no requirement to hold annual general meetings; however, the General Partner may call periodic information meetings from time to time to advise Limited Partners as to the status of the Properties.

## **10.2 Place of Meeting**

Every meeting will be held in the City of Vancouver, British Columbia or at such other place in Canada as may be designated by the General Partner.

## **10.3 Notice of Meeting**

Notice of any meeting will be given to each Limited Partner by prepaid mail, personal delivery or telecopier not less than twenty-one (21) days prior to such meeting, and will state:

- (a) the time, date and place of such meeting; and
- (b) in general terms, the nature of the business to be transacted at the meeting.

## **10.4 Accidental Omissions**

Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any Limited Partner will not invalidate the proceedings at that meeting.

## **10.5 Proxies**

Any Limited Partner entitled to vote at a meeting may vote by proxy if a proxy has been received by the General Partner or the chairman of the meeting for verification prior to the meeting.

## **10.6 Validity of Proxies**

A proxy purporting to be executed by or on behalf of a Limited Partner will be considered to be valid unless challenged at the time of or prior to its exercise, and the person challenging will have the burden of proving to the satisfaction of the chairman of the meeting that the proxy is invalid and any decision of the chairman concerning the validity of a proxy will be final.

## **10.7 Form of Proxy**

Every proxy will be substantially in the form which follows or in such other form as may be approved by the General Partner or as may be satisfactory to the chairman of the meeting at which it is sought to be exercised:

"I, \_\_\_\_\_ of \_\_\_\_\_, in the Province of \_\_\_\_\_ being a Limited Partner of Permex Petroleum Partnership, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the Province of \_\_\_\_\_ as my proxy, with full power of substitution to vote for me and on my behalf at the meeting of Limited Partners to be held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and every adjournment thereof and every poll that may take place in consequence thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_"

## **10.8 Corporations**

A Limited Partner which is a corporation may appoint under seal or otherwise, an officer, director or other authorized person as its representative to attend, vote and act on its behalf at a meeting of Limited Partners.

## **10.9 Attendance of Others**

Any officer or director of the General Partner, counsel to the General Partner or the Limited Partnership and representatives of the Accountants of the Limited Partnership, will be entitled to attend and receive notice of any meeting of Limited Partners.

## **10.10 Chairman**

The General Partner may nominate an individual (who need not be a Limited Partner) to be chairman of a meeting of Limited Partners and the person nominated by the General Partner will be chairman of such meeting. If the General Partner fails to nominate a chairman for the meeting, unless the Limited Partners elect another person as chairman by Ordinary Resolution.

## **10.11 Quorum**

Subject to this Agreement, a quorum at any meeting of Limited Partners will consist of two or more persons present in person who collectively hold or represent by proxy not less than ten per cent (10%) of the outstanding Units in the Limited Partnership and who are entitled to vote on any resolution and a quorum for any specific resolution presented to the meeting will be two or more persons present who hold or represent by proxy not less than ten per cent (10%) of the outstanding Units entitled to vote on such resolution. If, within half an hour after the time fixed for the holding of such meeting, a quorum for the meeting is not present, the meeting:

- (a) if called by or on the requisition of the Limited Partners, will be terminated; and
- (b) if called by the General Partner, will be held at the same time and, if available, the same place not less than ten (10) days or more than twenty-one (21) days later (or if that date is not a business day, the first business day after that date), and the General Partner who called the meeting will give at least seven (7) days' notice to all Limited Partners of the date of the reconvening of the adjourned meeting. Such notice need not set forth the matters to be considered unless they are different from those for which the original meeting was called. At such reconvened meeting the quorum for the meeting and the quorum for any specific resolution to be passed at such meeting will consist of the Limited Partners then present in person or represented by proxy at such reconvened meeting.

## **10.12 Voting**

Every question submitted to a meeting:

- (a) which requires a Special Resolution under this Agreement will be decided by a poll; and
- (b) which does not require a Special Resolution will, except as otherwise provided in this Agreement, be decided by an Ordinary Resolution on a show of hands unless a poll is demanded by a Limited Partner, in which case a poll will be taken,

and, in the case of an equality of votes, the chairman will not have a casting vote and the resolution will be deemed to be defeated. The chairman will be entitled to vote in respect of any Units held by the chairman or for which the chairman may be proxyholder. On any vote at a meeting of Limited Partners, a declaration of the chairman concerning the results of the vote will be conclusive.

Subject as herein provided, each person present at the meeting will have one vote for each Unit of which it is registered as the Unit holder and one vote for each Unit in respect of which it is the proxyholder.

For greater certainty, the General Partner will not be entitled to a vote in respect of their respective interests in the Limited Partnership unless the General Partner is also a Limited Partner and holds Units.

Any Limited Partner who is a party to a contract or proposed contract or who has a material interest in a contract, proposed contract or transaction (either directly or indirectly, including through an Affiliate or Associate) which is the subject matter of a resolution, will not be entitled to any vote on such resolution; provided however, that a Limited Partner will be deemed not to have a material interest in a contract, proposed contract or transaction if the interest arises merely from the ownership of Units where the Limited Partner will have or receive no extra or special benefit or advantage not shared on an equal basis by all other Limited Partners.

### **10.13 Poll**

A poll requested or required concerning:

- (a) the election of a chairman or an adjournment, will be taken immediately on request; or
- (b) any other matter, will be taken at the meeting or an adjournment of the meeting in such manner as the chairman directs.

### **10.14 Resolutions Binding**

Any resolution, whether a Special Resolution or an Ordinary Resolution, passed in accordance with this Agreement will be binding on all the Limited Partners and their respective heirs, executors, administrators, successors and assigns, whether or not any such Limited Partner was present in person or voted against any resolution so passed.

### **10.15 Powers Exercisable by Special Resolution**

The following powers will only be exercisable by Special Resolution passed by the Limited Partners:

- (a) consenting to the amendment of this Agreement except as provided herein;
- (b) waiving any default by the General Partner on such terms as the Limited Partners may determine;
- (c) agreeing to any compromise or arrangement by the Limited Partnership with any creditor, or class or classes of creditors;
- (d) amending, modifying, altering or repealing any Special Resolution previously passed by the Limited Partners;
- (e) dissolving or terminating the Limited Partnership except as in accordance with this Agreement;
- (f) approving a settlement of an action against the General Partner or the Promoter as a result of a breach of its duties; and

- (g) creating or issuing additional interests in the Limited Partnership of a different class than the Units where such additional units would have a preference or priority over the existing Units in respect of distributions of Available Cash Flow, Extraordinary Net Cash Receipts, income or loss or return of contributed capital.

Where the Promoter, the General Partner, or any Associate or Affiliate of the Promoter or the General Partner, and any director or officer thereof is the owner of a Unit, they will be required to abstain from voting in respect of items (b) or (f) above and in addition, will be required to abstain in any other circumstance in which there is a conflict of interest.

#### **10.16 Powers Exercisable by Ordinary Resolution**

Any other matters to be determined by the Limited Partners other than as is otherwise expressly provided for in this Agreement will be determined by Ordinary Resolution, provided such matter will be permitted pursuant to Section 2.10.

#### **10.17 Minutes**

The General Partner will cause minutes to be kept of all proceedings and resolutions at every meeting, and copies of any resolutions of the Limited Partnership to be made and entered in books to be kept for that purpose, and any minutes, if signed by the chairman of the meeting, will be deemed to be evidence of the matters stated in them, and such meeting will be deemed to have been duly convened and held and all resolutions and proceedings shown in them will be deemed to have been duly passed and taken.

#### **10.18 Additional Rules and Procedures**

To the extent that the rules and procedures for the conduct of a meeting of the Limited Partners are not prescribed in this Agreement, the rules and procedures will be determined by the chairman of the meeting.

#### **10.19 Authorized Attendance**

The General Partner has the right to authorize the presence of any person at a meeting regardless of whether the person is a Limited Partner. With the approval of the General Partner that person will be entitled to address the meeting.

### **ARTICLE 11 DISSOLUTION, LIQUIDATION AND DISTRIBUTION OF SALE PROCEEDS**

#### **11.1 Dissolution and Termination**

The Limited Partnership will be dissolved upon the earlier of the expiration of its term as described in Section 2.6 or the authorization of a dissolution by Special Resolution and, in either case, after the completion of the liquidation of the Limited Partnership and distribution to the Limited Partners of all funds remaining after payment of all debts, liabilities and obligations of the Limited Partnership to its creditors. Notwithstanding any rule of law or equity to the contrary, the Limited Partnership will not be terminated except in the manner provided for herein.

#### **11.2 Distributions upon Dissolution**

Upon the dissolution of the Limited Partnership, the assets of the Limited Partnership will be liquidated and all proceeds thereof collected by the General Partner and all such proceeds will be distributed:

- (a) firstly, to pay any costs involved in any sale of the assets of the Limited Partnership and to pay all amounts required to discharge any mortgages or encumbrances registered against the assets;
- (b) secondly, to pay all expenses incurred in the winding-up of the Limited Partnership;
- (c) thirdly, to pay all of the liabilities of the Limited Partnership including any loans or advances made by Limited Partners and including amounts owing to the General Partner in respect of costs and expenses owing to it pursuant to this Agreement, in the manner required by law;
- (d) fourthly, to establish such reserves as the General Partner considers necessary for contingent liabilities;
- (e) fifthly, to return to each Limited Partner the amount in its capital account;
- (f) sixthly, to return to the General Partner its Ten Dollar (\$10.00) capital contribution;
- (g) seventhly, to pay to the Limited Partners any unpaid portion of their Preferred Return;
- (h) eighthly, the balance will be distributed 50% to the Limited Partners *pro rata* in accordance with their respective Proportionate Shares and 50% to the General Partner.

Alternatively, the Limited Partners may by Special Resolution approve distributions of all assets of the Limited Partnership in kind or in specie in which event each Limited Partner will, subject to the provisions contained herein, be entitled to receive an undivided interest in each and every asset of the Limited Partnership in accordance with its Proportionate Share as of the date of dissolution or sale.

### **11.3 Events Not Causing Dissolution**

Notwithstanding any rule of law or equity to the contrary, the Limited Partnership will not be dissolved except in accordance with this Agreement. In particular, but without restricting the generality of the foregoing, the Limited Partnership will not be dissolved or terminated by the removal, actual or deemed resignation, retirement, expulsion, death, incompetence, bankruptcy, insolvency, other disability or incapacity, dissolution, liquidation, winding-up or receivership of the General Partner or the admission, resignation or withdrawal of the Initial Limited Partner or of any Limited Partner.

## **ARTICLE 12 FORFEITURE**

### **12.1 Default by Limited Partner**

Upon any Limited Partner defaulting in its obligations pursuant to this Agreement the General Partner may, at its option and in addition to any other remedies of the General Partner or the Limited Partnership, declare that the Limited Partner's Units are forfeited and the General Partner may forthwith, without any notice, without demand for payment, without advertisement, or without any other formality, all of which is hereby waived by each Limited Partner, sell the Units, or any of them, by public or private sale as fully and effectively as if the General Partner was the absolute owner thereof.

### **12.2 Application of Proceeds**

Upon any sale of Units pursuant to Section 12.1, the General Partner will apply any proceeds received from such sale to the payment of any amounts due from the Limited Partner to the Limited Partnership, the General Partner or the Promoter, in such manner as the General Partner deems to be appropriate, and the balance of any proceeds so received, if any, will be paid to the Limited Partner.



### **12.3 Costs**

All costs, charges and expenses incurred by the General Partner in respect of the Units sold pursuant to Section 12.1 or any realization thereon (including, without limitation, all solicitor and counsel fees on an as-paid basis) will be deemed to be an amount due from the defaulting Limited Partner and may be deducted from any proceeds realized by the General Partner.

## **ARTICLE 13 MISCELLANEOUS**

### **13.1 Competing Interests**

Each Limited Partner and the General Partner is entitled, without the consent of the General Partner or the other Limited Partners, to carry on any business and make any investment whether or not of the same nature and competing with that of the Limited Partnership, and is not liable to account to the Limited Partnership, the General Partner or the other Limited Partners therefor.

### **13.2 Notices**

(a) Notice to the General Partner and Initial Limited Partner:

Except as otherwise provided in this Agreement, any notice required or permitted to be given to the General Partner or the Initial Limited Partner under this Agreement will be sufficiently given if in writing and served personally on an officer of the General Partner or the Initial Limited Partner or sent by delivery, telecopier or by letter, postage prepaid, addressed to the addresses as set forth on page 1 of this Agreement (unless at the time of mailing or within four (4) days thereafter there is a strike, interruption or lockout in the Canadian postal service, in which case the notice will be given by personal delivery or telecopier), addressed to the addresses as set forth on page 1 of this Agreement, and such notice will be considered to have been given, if delivered or sent by telecopier, on the next business day following the date of delivery or the date of sending of the telecopy, as the case may be or, if sent by letter, on the third business day following the date of mailing the letter in a regularly maintained receptacle for the deposit of mail. The General Partner will advise the Limited Partners of any change in the above address.

(b) Notice to the Limited Partners:

Except as otherwise provided in this Agreement, any notice required or permitted to be given to a Limited Partner under this Agreement will be sufficiently given if in writing and served personally on the Limited Partner or, if delivered or sent by telecopier or by letter, postage prepaid, addressed to the last address of the Limited Partner as shown in the register of Limited Partners (unless at the time of mailing or within four (4) days thereafter there will be a strike, interruption or lockout in the Canadian postal service, in which case notice will be given by personal delivery or telecopier). Any notice, if delivered or sent by telecopier, will be considered to have been given on the next business day following the date of delivery or the date of sending of the telecopy, as the case may be or, if sent by letter, on the third business day following the date of mailing the letter in a regularly-maintained receptacle for the deposit of mail. Each Limited Partner will advise the Registrar and Transfer Agent of any change in such Limited Partner's address as then shown on the Register.

### **13.3 Further Acts**

The parties hereto agree to execute and deliver such further and other documents and to perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full force and effect to this Agreement and every part hereof.

### **13.4 Binding Effect**

Subject to the provisions regarding assignment and transfer herein contained, this Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

### **13.5 Severability**

Each provision of this Agreement is intended to be severable. If any provision hereof is illegal or invalid, such illegality or invalidity will not affect the validity of the remainder hereof.

### **13.6 Counterparts**

This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. This Agreement may also be adopted in any subscription or assignment forms or similar instruments signed by a Limited Partner or by the General Partner on his, her or its behalf, with the same effect as if such Limited Partner had executed a counterpart of this Agreement. All counterparts and adopting instruments will be construed together and will constitute one and the same agreement.

### **13.7 Time**

Time is of the essence hereof.

### **13.8 Governing Law**

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the parties hereto hereby submit to and attorn to the non-exclusive jurisdiction of the Courts of the Province of British Columbia.

### **13.9 Currency**

Unless otherwise indicated, all monetary references contained in this Agreement are in Canadian Dollars.

### **13.10 Interpretation**

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the headings are for convenience only and do not form a part of this Agreement nor are they intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (b) all accounting terms not otherwise defined herein have the meanings assigned to them and all computations made pursuant to this Agreement, except as expressly provided otherwise, will be made in accordance with Canadian generally accepted accounting principles applied on a consistent basis;
- (c) any reference to a statute will include and will be deemed to be a reference to such

statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto;

- (d) any reference to an entity will include and will be deemed to be a reference to any entity that is a successor to such entity; and
- (e) words importing the masculine gender include the feminine gender or neuter gender and words in the singular include the plural, and vice versa.

IN WITNESS WHEREOF this Agreement is executed as of the day and year first above written.

**PERMEX PETROLEUM OPERATING LTD.**

Per: (signed) "Mehran Ehsan"  
Authorized Signatory

Each person who from time to time becomes  
a Limited Partner of **PERMEX PETROLEUM  
OPERATING LTD.**, by his, her or its agent  
and attorney, **PERMEX PETROLEUM OPERATING LTD.**

Per: (signed) "Mehran Ehsan"  
Authorized Signatory

**SCHEDULE "A"**

**P E R M E X   P E T R O L E U M   L I M I T E D   P A R T N E R S H I P**

(An Oil and Gas Limited Partnership)

**S U B S C R I P T I O N   D O C U M E N T S**

PERMEX PETROLEUM LIMITED PARTNERSHIP

SUBSCRIPTION DOCUMENTS

Offering Memorandum



**PERMEX PETROLEUM LIMITED PARTNERSHIP**

**SUBSCRIPTION AGREEMENT AND POWER OF ATTORNEY**

**THE SECURITIES TO WHICH THIS SUBSCRIPTION AGREEMENT RELATES ARE SUBJECT TO A HOLD PERIOD IN ALL OF THE PROVINCES OF CANADA AND MAY NOT BE TRADED IN ANY OF THE PROVINCES OF CANADA EXCEPT AS PERMITTED BY APPLICABLE SECURITIES LEGISLATION.**

TO: Permex Petroleum Limited Partnership (the “**Limited Partnership**”)  
AND TO: Permex Petroleum Operating Ltd. (the “**General Partner**”)

The undersigned (the “**Subscriber**”) hereby irrevocably subscribes for and agrees to purchase that number of units (the “**Units**”) in the Limited Partnership shown in section (c) of the **Basic Terms** below, having an acquisition cost of \$1,000 per Unit (subject to a minimum subscription amount of \$10,000 or ten Units), for the Purchase Price shown in section (d) of the Basic Terms, which is tendered herewith, on the basis of the representations and warranties and subject to the terms and conditions set forth herein, including those set out in EXHIBIT A through EXHIBIT O attached hereto, as applicable (collectively, the “**Subscription Agreement**”).

**Basic Terms**

The following information is applicable to this Subscription Agreement:

(a) Subscriber:	
(i) Name:	
(ii) Official Title or Capacity ( <i>if signing on behalf of a Corporation</i> )	
(iii) Address:	
(iv) Phone No.:	
(v) Social Insurance Number:	
(vi) E-mail address:	
(b) Date of Offering Memorandum Received By Subscriber:	
(c) No. of Units ( <i>Minimum 10 Units</i> ):	
(d) Purchase Price: ( <i>No. of Units x \$1,000</i> ):	

(e) The Subscriber acknowledges, represents and warrants as of the date of this Subscription Agreement that the Subscriber **[check the appropriate box]**:

- (i) **is a resident of British Columbia or Newfoundland and Labrador** and has duly completed, dated, executed and delivered two (2) copies of the **Risk Acknowledgement Form** attached as EXHIBIT B, (one copy of which must be delivered to the Limited Partnership and one copy must be retained for your records); or

☐

- (ii) **is a resident of Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon and is subscribing for NO MORE THAN \$10,000 in Units** and has duly completed, dated, executed and delivered two (2) copies of the **Risk Acknowledgement Form** attached as EXHIBIT B (one copy of which must be delivered to the Limited Partnership and one copy must be retained for your records); or ☐
- (iii) **is a resident of Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon and is subscribing for MORE THAN \$10,000 in Units**, and has duly completed, dated, executed and delivered ☐
- A. two (2) copies of the **Risk Acknowledgement Form** attached as EXHIBIT B (one copy of which must be delivered to the Limited Partnership and one copy must be retained for your records);
  - B. the **Eligible Investor Representation Letter (MB, NWT, NU, PEI, YK)** attached as EXHIBIT E,
  - C. the **Eligible Investor Status Certificate (MB, NWT, NU, PEI, YK)** attached as EXHIBIT F,
  - D. all other Exhibits, as indicated herein, and
  - E. the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents; or
- (iv) **is an individual investor resident in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia and is subscribing for NO MORE THAN \$10,000 in Units** and has duly completed, dated, executed and delivered ☐
- A. two (2) copies of each of
    - I. the **Risk Acknowledgement Form** attached as EXHIBIT B;
    - II. the **Classification of Investors Under the Offering Memorandum Exemption** attached as EXHIBIT C; and
    - III. the **Investment Limits for Investors Under the Offering Memorandum Exemption** attached as EXHIBIT D,

(one copy of each such document must be delivered to the Limited Partnership and one copy must be retained for your records), and
  - B. if the Subscriber is resident in Saskatchewan and is required to provide such form pursuant to the instructions set out in the **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)**



attached as EXHIBIT H, two (2) copies of the **Saskatchewan Risk Acknowledgement Form** attached as EXHIBIT N (one full copy must be delivered to the Limited Partnership and one copy must be retained for your records); or

- (v) **is an individual investor resident in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia, is subscribing for NO MORE THAN \$30,000 in Units and checked the box beside Item 3(b) to the Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H and has duly completed, dated, executed and delivered ☐

- A. two (2) copies of each of
- I. the **Risk Acknowledgement Form** attached as EXHIBIT B;
  - II. the **Classification of Investors Under the Offering Memorandum Exemption** attached as EXHIBIT C; and
  - III. the **Investment Limits for Investors Under the Offering Memorandum Exemption** attached as EXHIBIT D,
- (one copy of each such document must be delivered to the Limited Partnership and one copy must be retained for your records),
- B. the **Eligible Investor Representation Letter (SK, ON, QU, NB, NS)** attached as EXHIBIT G,
- C. the **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H,
- D. if the Subscriber is resident in Saskatchewan and is required to provide such form pursuant to the instructions set out in the **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H, two (2) copies of the **Saskatchewan Risk Acknowledgement Form** attached as EXHIBIT N (one full copy must be delivered to the Limited Partnership and one copy must be retained for your records);
- E. all other Exhibits, as indicated herein, and
- F. the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents; or

- (vi) **is an individual investor resident in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia , is subscribing for NO MORE THAN \$100,000 in Units and checked the box beside Item 3(c) to the Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H and has duly completed, dated, executed and delivered ☐

- A. two (2) copies of each of

- I. the **Risk Acknowledgement Form** attached as EXHIBIT B;
- II. the **Classification of Investors Under the Offering Memorandum Exemption** attached as EXHIBIT C; and
- III. the **Investment Limits for Investors Under the Offering Memorandum Exemption** attached as EXHIBIT D,

(one copy of each such document must be delivered to the Limited Partnership and one copy must be retained for your records),

- B. the **Eligible Investor Representation Letter (SK, ON, QU, NB, NS)** attached as EXHIBIT G,
- C. the **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H;
- D. if the Subscriber is resident in Saskatchewan and is required to provide such form pursuant to the instructions set out in the **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H, two (2) copies of the **Saskatchewan Risk Acknowledgement Form** attached as EXHIBIT N (one full copy must be delivered to the Limited Partnership and one copy must be retained for your records);
- E. all other Exhibits, as indicated herein, and
- F. the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents; or

(vii) **is a non-individual investor (e.g., the investor is a corporate entity or other legal entity that is not an individual) resident in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia, and checked the box beside Item 3(a) to the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H and has duly completed, dated, executed and delivered** ☐

- A. two (2) copies of the **Risk Acknowledgement Form** attached as EXHIBIT B (one copy of which must be delivered to the Limited Partnership and one copy must be retained for your records), and
- B. if the Subscriber is resident in Saskatchewan and is required to provide such form pursuant to the instructions set out in the **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H, two (2) copies of the **Saskatchewan Risk Acknowledgement Form** attached as EXHIBIT N (one full copy must be delivered to the Limited Partnership and one copy must be retained for your records).

- (f) **Northwest Exemption:** if the Subscriber is resident in British Columbia, Manitoba or Saskatchewan, two (2) copies of the **Northwest Exemption Risk Acknowledgement Form** attached as EXHIBIT O have been completed by the Subscriber if the Units are sold to the Subscriber by a party pursuant to the terms and conditions of applicable instruments published by the Canadian Securities Administrators in such province(s) exempting such person from registration in such province(s).

**[THIS SPACE INTENTIONALLY LEFT BLANK.]**

**Insider Status**

The Subscriber either **[check appropriate box]**:

<input type="checkbox"/>	is an “Insider” of the Limited Partnership as defined in the Securities Act (British Columbia); or
<input type="checkbox"/>	is not an Insider of the Limited Partnership.

**Registrant Status**

The Subscriber either **[check appropriate box]**:

<input type="checkbox"/>	is a “Registrant”, namely, a person registered, or required to be registered, under the Securities Act (British Columbia); or
<input type="checkbox"/>	is not a Registrant.

**Additional Terms and Conditions**

The terms and conditions of EXHIBIT A through EXHIBIT O, as applicable, shall apply to the Subscriber’s subscription for the Units and are incorporated into this Subscription Agreement.

**The following table sets out the various Exhibits hereto:**

Reference	Title	Page
EXHIBIT A	Terms and Conditions of Subscription for Units (ALL SUBSCRIBERS)	9
EXHIBIT B	Risk Acknowledgement Form (ALL SUBSCRIBERS)	20
EXHIBIT C	Classification of Investors Under the Offering Memorandum Exemption (SK, ON, QU, NB, NS)	23
EXHIBIT D	Investment Limits for Investors Under the Offering Memorandum Exemption (SK, ON, QU, NB, NS)	25
EXHIBIT E	Eligible Investor Representation Letter (MB, NWT, NU, PEI, YK)	27
EXHIBIT F	Eligible Investor Status Certificate (MB, NWT, NU, PEI, YK)	29
EXHIBIT G	Eligible Investor Representation Letter (SK, ON, QU, NB, NS)	36
EXHIBIT H	Eligible Investor Status Certificate (SK, ON, QU, NB, NS)	38
EXHIBIT I	Eligible Investor Profile (ALL ELIGIBLE INVESTORS)	46
EXHIBIT J	Underlying Eligible Investor Status Certificate (AS APPLICABLE)	47
EXHIBIT K	Underlying Accredited Investor Status Certificate (AS APPLICABLE)	55
EXHIBIT L	Accredited Investor Profile	62
EXHIBIT M	Underlying Family, Friends and Business Associates Status Certificate (AS APPLICABLE)	64
EXHIBIT N	Saskatchewan Risk Acknowledgement Form (ALL SASKATCHEWAN RESIDENTS)	69
EXHIBIT O	Northwest Exemption Risk Acknowledgement Form	71

**IN WITNESS WHEREOF** the Subscriber has duly executed this Subscription Agreement on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
(Signature of the Subscriber and, if the  
Subscriber is a Corporation, an Officer)

**ACCEPTANCE**

This Subscription Agreement in respect of the Units is hereby accepted by Permex Petroleum Limited Partnership.

DATED at \_\_\_\_\_, the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

**Permex Petroleum Limited Partnership**  
By its General Partner  
**Permex Petroleum Operating Ltd.**

Per: \_\_\_\_\_  
Authorized Signatory

## EXHIBIT A

### TERMS AND CONDITIONS OF SUBSCRIPTION FOR UNITS

#### 1. **Subscription**

- 1.1 The Subscriber hereby irrevocably subscribes for and agrees to purchase that number of Units shown in section (c) of the Basic Terms having an acquisition cost of \$1,000 per Unit, for the Purchase Price shown in section (d) of the Basic Terms, which is tendered herewith, on the basis of the representations and warranties and subject to the terms and conditions set forth in this Subscription Agreement (the “**Subscription**”).
- 1.2 Subject to the terms hereof, the Subscription will be effective upon its acceptance by the General Partner on behalf of the Limited Partnership. Upon acceptance by the General Partner on behalf of the Limited Partnership, this Subscription constitutes an agreement by the Subscriber to become a limited partner of the Limited Partnership on the terms and subject to the terms and conditions set out in this Subscription Agreement.
- 1.3 At the sole discretion of the General Partner, the Units purchased hereunder may be represented electronically in the non-certificated inventory (“**NCI**”) system. In the event the Units purchased hereunder are represented at Closing electronically in the NCI system, registration of interests in such Units may be made only through a book-based system, and if so made, the ability of the Subscriber to pledge such Units or otherwise take action with respect to the Subscriber’s interest in such Units may be limited due to the lack of a physical certificate.

#### 2. **Payment for Units**

- 2.1 The Purchase Price shall be paid upon the execution and delivery of the Subscription Agreement to the General Partner by certified cheque or bank draft made payable to “Permex Petroleum Limited Partnership”.

#### 3. **Closing**

- 3.1 The General Partner will confirm whether or not the Subscription Agreement is acceptable, whereupon the General Partner will deliver to the Subscriber a signed copy of this Agreement (the “**Closing**”).
- 3.2 The Subscriber acknowledges that the Units purchased hereunder may be represented at Closing electronically in the NCI system. In the event the Units purchased hereunder are represented at Closing electronically in the NCI system, the Subscriber will not receive definitive certificates representing the Units.
- 3.3 The Closing will take place on such date or dates to be determined by the General Partner, provided however that the Purchase Price paid by the Subscriber will be held in trust pending the Closing.

#### 4. **Securities Act Exemption Matters**

- 4.1 The Subscriber acknowledges and agrees that:
  - (a) it is acquiring the Units pursuant to an exemption (the “**Exemption**”) from the prospectus requirements of the applicable securities laws and regulations (collectively, the “**Legislation**”) in all jurisdictions relevant to this Subscription, and, as a consequence, the Subscriber will not be entitled to use most of the civil remedies available under the

Legislation and the Subscriber will not receive information that would otherwise be required to be provided to the Subscriber pursuant to the Legislation;

(b) the Exemption is premised on the basis that:

(i) **if the Subscriber has checked box (i), (ii) or (vi) of Item (e) of the Basic Terms**, the Subscriber acknowledges and agrees that the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 7 of this Subscription Agreement**,

A. a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B,

B. such other supporting documentation that the General Partner or its legal counsel may request to establish the Subscriber's qualification under the Exemption;

(ii) **if the Subscriber has checked box (iii) of Item (e) of the Basic Terms**, the Subscriber acknowledges and agrees that the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 7 of this Subscription Agreement**,

A. a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B,

B. a duly completed, dated and executed **Eligible Investor Representation Letter (MB, NWT, NU, PEI, YK)** attached as EXHIBIT E,

C. a duly completed, dated and executed **Eligible Investor Status Certificate (MB, NWT, NU, PEI, YK)** attached as EXHIBIT F,

D. duly completed, dated and executed copies of all other Exhibits, as indicated herein,

E. the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents, and

F. such other supporting documentation that the General Partner or its legal counsel may request to establish the Subscriber's qualification under the Exemption;

(iii) **if the Subscriber has checked box (iv) of Item (e) of the Basic Terms**, the Subscriber acknowledges and agrees that the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 7 of this Subscription Agreement**,

A. a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B, and

B. such other supporting documentation that the General Partner or its legal counsel may request to establish the Subscriber's qualification under the Exemption;



- (iv) **if the Subscriber has checked box (v) of Item (e) of the Basic Terms**, the Subscriber acknowledges and agrees that the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 7 of this Subscription Agreement**,
- A. a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B,
  - B. a duly completed, dated and executed **Classification of Investors Under the Offering Memorandum Exemption** attached as EXHIBIT C,
  - C. a duly completed, dated and executed **Investment Limits for Investors Under the Offering Memorandum Exemption** attached as EXHIBIT D,
  - D. a duly completed, dated and executed **Eligible Investor Representation Letter (SK, ON, QU, NB, NS)** attached as EXHIBIT G,
  - E. a duly completed, dated and executed **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H,
  - F. duly completed, dated and executed copies of all other Exhibits, as indicated herein,
  - G. the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents, and
  - H. such other supporting documentation that the General Partner or its legal counsel may request to establish the Subscriber's qualification under the Exemption;
- (v) **if the Subscriber has checked box (vi) of Item (e) of the Basic Terms**, the Subscriber acknowledges and agrees that the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 7 of this Subscription Agreement, a duly completed, dated and executed**
- A. a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B,
  - B. a duly completed, dated and executed **Classification of Investors Under the Offering Memorandum Exemption** attached as EXHIBIT C,
  - C. a duly completed, dated and executed **Investment Limits for Investors Under the Offering Memorandum Exemption** attached as EXHIBIT D,
  - D. a duly completed, dated and executed **Eligible Investor Representation Letter (SK, ON, QU, NB, NS)** attached as EXHIBIT G,
  - E. a duly completed, dated and executed **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H,
  - F. duly completed, dated and executed copies of all other Exhibits, as indicated herein,

- G. the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents,
  - H. such other supporting documentation that the General Partner or its legal counsel may request to establish the Subscriber's qualification under the Exemption;
- (vi) **if the Subscriber is resident in British Columbia, Manitoba or Saskatchewan, and is purchasing Units from a party pursuant to the terms and conditions of applicable instruments published by the Canadian Securities Administrators in such province(s) exempting such person from registration in such province(s), the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, along with a duly completed, dated and executed copy of pages pages 1 to 7 of this Subscription Agreement,**
- A. a copy of the **Northwest Exemption Risk Acknowledgement Form** attached as EXHIBIT O, and
  - B. such other documentation as may be required pursuant to subsections 4.1(b)(i) to (vi), above

## **5. Acknowledgements of Subscriber**

### **5.1 The Subscriber acknowledges and agrees that:**

- (a) there is no market for the Units and no market for the Units may ever exist;
- (b) the Subscriber is aware that an investment in the Units is speculative and involves certain risks, including the possible loss of the Subscriber's entire investment;
- (c) the Subscriber understands and agrees that the General Partner and others will rely upon the truth and accuracy of the acknowledgements, representations and agreements contained in this Subscription Agreement and any other documentation or information provided to the General Partner in connection with the Subscription, and agrees that if any of such acknowledgements, representations and agreements are no longer accurate or have been breached, the Subscriber shall promptly notify the General Partner;
- (d) any transfer, resale or other subsequent disposition of the Units will be subject to restrictions set out in the Limited Partnership Agreement in respect of the Limited Partnership (the "**Partnership Agreement**") and may be subject to restrictions contained in the Legislation applicable to the holder of the Units or to the proposed transferee, including, but not limited to, resale restrictions under the *Securities Act* (British Columbia) or similar legislation in the other Provinces or Territories of Canada, as applicable;
- (e) the Limited Partnership is not a reporting issuer in any Province or Territory of Canada and, accordingly, any applicable hold periods under the Legislation may never expire, and the Units may be subject to restrictions on resale for an indefinite period of time;
- (f) the Units have not been registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or the securities laws of any state of the United States, that the Units may not be offered or sold, directly or indirectly, in the United States except pursuant to registration under the 1933 Act and the securities laws of all applicable states or available exemptions therefrom, that the Limited Partnership has no obligation or

present intention of filing a registration statement under the 1933 Act in respect of any of the Units, and that:

- (i) the offer to purchase the Subscriber's Units was not made to the Subscriber in the United States;
  - (ii) this Agreement was delivered to, executed and delivered by the Subscriber outside the United States;
  - (iii) the Subscriber is not, and will not be purchasing the Subscriber's Units for the account or benefit of, any U.S. Person (as defined in the 1933 Act) or person in the United States;
  - (iv) the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the 1933 Act;
  - (v) the Subscriber and any person for whose account it is acquiring the Subscriber's Units, if applicable, has no intention to distribute either directly or indirectly any of the Securities in the United States, except in compliance with the 1933 Act;
  - (vi) if the Subscriber is a corporation, partnership or other legal entity incorporated or organized in the United States, the Subscriber's affairs are controlled and directed from outside of the United States, its purchase of the Securities was not solicited in the United States, no part of the transaction which is the subject of this Subscription Agreement occurred in the United States, and the Limited Partnership and the General Partner has informed the Subscriber that no market for the Securities currently exists in the United States;
- (g) no person has made to the Subscriber any written or oral representations:
- (i) that any person will resell or repurchase the Units, other than the limited redemption right referred to in Article 6 of the Partnership Agreement;
  - (ii) that any person will refund the Purchase Price for the Units other than as provided in this Subscription;
  - (iii) as to the future price or value of the Units; or
  - (iv) that the Units will be listed and posted for trading on a stock exchange or that application has been made to list and post the Units for trading on a stock exchange;
- (g) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Units;
- (h) by execution hereof the Subscriber has waived the need for the General Partner to communicate its acceptance of the purchase of the Units pursuant to this Subscription Agreement;
- (i) the Subscriber has been advised to consult its own legal, tax and other advisors with respect to the merits and risks of an investment in the Units and with respect to applicable resale restrictions and it is solely responsible (and the General Partner is in no way responsible) for compliance with applicable resale restrictions;

- (j) the Subscriber shall duly complete, date, execute and return to the General Partner as soon as possible, on request by the General Partner, any documents, questionnaires, notices and undertakings as may be required by the General Partner, regulatory authorities, stock exchanges and applicable law.
- (k) there is no government or other insurance covering any of the Units; and
- (l) this Subscription Agreement is not enforceable by the Subscriber unless it has been accepted by the General Partner for and on behalf of the Limited Partnership, and the Subscriber acknowledges and agrees that the General Partner reserves the right to reject any Subscription for any reason.

## **6. Representations, Warranties and Covenants of the Subscriber**

6.1 The Subscriber hereby represents and warrants to and covenants with the General Partner and the Limited Partnership (which representations, warranties and covenants will be true and correct as at the date set forth above and at Closing, and shall survive the Closing) that:

- (a) the Subscriber is acquiring the Units as a principal (and not as an agent) for investment purposes only, with no intention or view to reselling or distributing any portion or beneficial interest in the Units, and the Subscriber will be the beneficial owner of any Units to be issued to the Subscriber if, as and when this Subscription is accepted by the General Partner in whole or in part;
- (b) the Subscriber is resident in the jurisdiction identified in the address of the Subscriber set forth on page 1 of this Subscription Agreement;
- (c) the Subscriber has the legal capacity and competence to enter into and execute this Subscription Agreement and to take all actions required pursuant hereto and, if the Subscriber is a corporation, it is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation and all necessary approvals by its directors, shareholders and others have been obtained to authorize execution and performance of this Subscription Agreement on behalf of the Subscriber;
- (d) the entering into of this Subscription Agreement and the transactions contemplated hereby do not result in the violation of any of the terms and provisions of any law applicable to, or, if applicable, the constating documents of, the Subscriber, or of any agreement, written or oral, to which the Subscriber may be a party or by which the Subscriber is or may be bound;
- (e) the Subscriber has duly completed, dated, executed and delivered this Subscription Agreement and it constitutes a valid and binding agreement of the Subscriber enforceable against the Subscriber;
- (f) the Subscriber has received and reviewed a copy of the Partnership Agreement and the Offering Memorandum of the Limited Partnership, the date of which is shown in section (b) of the Basic Terms of this Subscription Agreement (the “**Offering Memorandum**”) and the Subscriber confirms that it is aware of and accepts the variances and additions to the terms and conditions of the Partnership Agreement from those summarized in the Offering Memorandum;
- (g) the Subscriber’s decision to tender this offer and purchase the Subscriber’s Units has not been made as a result of any verbal or written representation as to fact or otherwise made by or on behalf of the Limited Partnership, or any other person and is based entirely upon information contained herein, in the Offering Memorandum, and in the Partnership Agreement;

- (h) the Subscriber has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the transactions detailed in the Subscription Agreement;
- (i) the Subscriber is not:
  - (i) a person an interest in which is a "tax shelter investment" for the purposes of Section 143.2 of the *Income Tax Act* (Canada); or
  - (ii) a "financial institution" as that term is defined in subsection 142.2(1) of the *Income Tax Act* (Canada) (and agrees to immediately advise the General Partner if it becomes a "financial institution" at any time hereafter);
- (j) if financing the acquisition of Units by way of indebtedness, in whole or in part, the Subscriber has ensured and will ensure that all of the following terms are met with respect to such indebtedness:
  - (i) recourse for such indebtedness is not limited in any way, either immediately or in the future or absolutely or contingently;
  - (ii) *bona fide* written arrangements were made, at the time the indebtedness arose, for full repayment with interest within a reasonable period not exceeding 10 years;
  - (iii) interest is payable on such indebtedness at least annually at a rate at least equal to the rate prescribed (or to be prescribed) for purposes of Section 143.2 of the *Income Tax Act* (Canada) as of the time the indebtedness arose;
  - (iv) such interest will be paid no later than 60 days after the end of each taxation year of the debtor;
  - (v) there is not, and is not to be, a series of loans and repayments in relation to the indebtedness; and
  - (vi) all information with respect to the indebtedness is available in Canada;
- (k) the Subscriber has not purchased the Units as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other communication published in any newspaper, magazine or similar media or broadcast over radio, television or internet or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (l) the Subscriber agrees that the Limited Partnership and the General Partner may be required by law or otherwise to disclose to regulatory authorities the identity of the Subscriber; and
- (m) the funds representing the aggregate Purchase Price for the Subscriber's Units which will be advanced by the Subscriber hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the Subscriber acknowledges that the Limited Partnership may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to such Act. To the best of its knowledge: (a) none of the subscription funds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under any law of Canada, the United States of America (or any state thereof), or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and (b) the Subscriber shall promptly notify the Limited Partnership if the Subscriber

discovers that any of such representations ceases to be true, and to provide the Limited Partnership with appropriate information in connection therewith.

- 6.2 The Subscriber acknowledges that the representations, warranties, covenants and acknowledges contained herein are made by the Subscriber with the intention that they may be relied upon by the General Partner, the Limited Partnership and its legal counsel in determining the Subscriber's eligibility to acquire the Units under relevant Legislation. The Subscriber further agrees that by accepting delivery of the Units, the Subscriber will be representing and warranting that the foregoing representations and warranties are true and correct as at the time of delivery of such Units with the same force and effect as if they had been made by the Subscriber at such time, and that they shall survive the completion of the transactions contemplated under this Subscription and remain in full force and effect thereafter for the benefit of the General Partner for a period of two years.
- 6.3 The Subscriber hereby agrees to indemnify and hold harmless the General Partner and Limited Partnership and their respective directors, officers, employees, agents, advisors and shareholders from and against any and all loss, liability, claim, damage and expense whatsoever arising out of or based upon any representation or warranty of the Subscriber contained in this Subscription Agreement, any questionnaire or in any other document furnished by the Subscriber to the General Partner in connection herewith, being untrue in any material respect or any breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber to the General Partner in connection therewith;

## **7. Power of Attorney and Agreement to be Bound**

- 7.1 In consideration of the General Partner, on behalf of the Limited Partnership, accepting the Subscription of the Subscriber and conditional thereon, the Subscriber:
- (a) agrees to be bound, as a party to and as a limited partner in the Limited Partnership, by the terms of the Partnership Agreement, and the undersigned expressly ratifies and confirms the power of attorney given to the Limited Partnership therein; and
  - (b) irrevocably nominates, constitutes and appoints the General Partner and any successor to the General Partner under the terms of the Partnership Agreement, as the Subscriber's true and lawful attorney and agent, with full power of substitution and authority in the Subscriber's name, place and stead and for the Subscriber's use and benefit to do the following:
    - (i) execute, swear to, acknowledge, complete, deliver and file as and where the General Partner considers it appropriate any and all of the following:
      - A. the Partnership Agreement and all declarations and certificates of change required under the *Partnership Act* (British Columbia) and other instruments necessary to form, qualify or continue and keep in good standing the Limited Partnership as a limited partnership;
      - B. all instruments, declarations and certificates necessary to reflect any amendment to the Partnership Agreement;
      - C. all elections, determinations or designations made pursuant to the *Income Tax Act* (Canada) or any other taxation or other legislation or laws of like import of Canada or any provinces or jurisdictions in respect of the affairs of the Limited Partnership or of a partner's interest in the Limited Partnership; and

D. all conveyances, agreements and other instruments necessary or desirable to reflect the dissolution and termination of the Limited Partnership including cancellation of any certificates or declarations and the execution of any elections under the *Income Tax Act* (Canada) and any analogous provincial legislation, as any of the same may be amended or re-enacted from time to time;

- (ii) execute and file with any governmental body or instrumentality thereof of the Government of Canada or a province thereof or the Government of the United States or any state thereof, any documents necessary to be filed in connection with the business, property, assets and undertaking of the Limited Partnership;
- (iii) execute and deliver all such other documents or instruments on behalf of and in the name of the Limited Partnership and for or on behalf of the Subscriber as may be deemed necessary or desirable by the Limited Partnership to carry out fully the provisions of this Subscription Agreement, the Partnership Agreement or any other material contract required in connection herewith; and
- (iv) to complete, amend or modify any of the foregoing or this Subscription Agreement and to complete any missing information or correct any clerical or other errors in the completion of this Subscription Agreement or any of the foregoing.

7.2 The power of attorney granted herein is irrevocable, is a power coupled with an interest, shall survive the death, disability or other legal incapacity of the Subscriber and shall survive the transfer or assignment, to the extent of the obligations of the Subscriber under the Partnership Agreement or hereunder, by the Subscriber of the whole or any part of the interest of the Subscriber in the Limited Partnership and extends to the heirs, executors, administrators, successors and assigns of the Subscriber and may be exercised by the General Partner, on behalf of the Subscriber, by executing any instrument as with a single signature as attorney and agent for all the General Partner's executing such instrument or by such other form of execution as the General Partner may determine, and it shall not be necessary for the General Partner to execute any document or instrument under seal, however the General Partner may, in its discretion, execute documents or instruments under seal.

7.3 The Subscriber agrees to be bound by any representations and actions made or taken in good faith by the General Partner pursuant to this power of attorney in accordance with the terms hereof or in accordance with the Partnership Agreement and the Subscriber hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the General Partner taken in good faith under this power of attorney.

## **8. Fees and Commissions**

8.1 The Subscriber acknowledges and agrees that a portion of the Purchase Price for the Units will be used to pay the organizational and offering expenses of the Limited Partnership as follows:

- (a) up to 8% of the Purchase Price of the Units will be used to pay fees or commissions to a broker, selling agent, or finder; and
- (b) 5% of the Purchase Price of the Units will be paid to the General Partner for marketing expenses, professional fees, regulatory compliance fees and other fees and expenses incurred by the General Partner in connection with the organization of the Limited Partnership and the offering, all as disclosed in the Offering Memorandum.

**9. Withdrawal of Subscription**

- 9.1 The Subscriber has a two day cancellation right and may cancel this Agreement by sending notice to the Limited Partnership by midnight on the second business day after the Subscriber delivers this Subscription Agreement to the Limited Partnership.

**10. Use of Personal Information**

- 10.1 The Subscriber hereby acknowledges and consents to: (i) the disclosure by the Limited Partnership of Personal Information concerning the Subscriber to the Commissions or any other regulatory authority (under the authority granted by securities legislation, where applicable), (collectively referred to in this section as the “**Securities Authorities**”); and (ii) the indirect collection, use and disclosure of Personal Information by the Securities Authorities for the following purposes (or as otherwise identified by the Securities Authorities, from time to time):
- (a) to conduct background checks;
  - (b) to verify the Personal Information that has been provided about the Subscriber;
  - (c) to consider the suitability of the Subscriber as a holder of securities of the Limited Partnership;
  - (d) to provide disclosure to market participants as to the security holdings of the Limited Partnership’s security holders, and their involvement with any other reporting issuers, issuers subject to a cease trade order or bankruptcy, and information respecting penalties, sanctions or personal bankruptcies, and possible conflicts of interest with the Limited Partnership;
  - (e) to detect and prevent fraud;
  - (f) to conduct enforcement proceedings or otherwise administer and enforce securities legislation; and
  - (g) to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Securities Authorities, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.
- 10.2 Herein, “**Personal Information**” means any information about the Subscriber required to be disclosed to a Securities Authority, whether pursuant to a mandated form or a request made by a Securities Authority.

**11. General**

- 11.1 The Subscriber acknowledges and agrees that all costs and expenses incurred by the Subscriber relating to the purchase of the Units shall be borne by the Subscriber.
- 11.2 This Subscription Agreement is governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Subscriber, in its personal or corporate capacity and, if applicable, on behalf of each beneficial purchaser for whom it is acting, irrevocably attorns to the jurisdiction of the Province of British Columbia.
- 11.3 This Subscription Agreement, including without limitation the representations, warranties and covenants contained herein, shall survive and continue in full force and effect and be binding upon the parties hereto notwithstanding the completion of the purchase of the Units by the Subscriber pursuant hereto.



- 11.4 This Subscription Agreement is not transferable or assignable.
- 11.5 The invalidity or unenforceability of any particular provision of this Subscription Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Subscription Agreement.
- 11.6 Except as expressly provided in this Subscription Agreement and in the agreements, instruments and other documents contemplated or provided for herein, this Subscription Agreement contains the entire agreement between the parties with respect to the sale of the Units and there are no other terms, conditions, representations or warranties, whether expressed, implied, oral or written, by statute or common law, by the General Partner or Limited Partnership or by anyone else.
- 11.7 All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Subscriber shall be directed to the address on page 1 of this Subscription Agreement and notices to the General Partner shall be directed to Suite 1290, 625 Howe Street, Vancouver, British Columbia, V6C 2T6.
- 11.8 This Subscription Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall constitute an original and all of which together shall constitute one instrument. Delivery of an executed copy of this Agreement by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Agreement as of the date hereinafter set forth.
- 11.9 The Subscriber hereby acknowledges that he or she will deliver to the General Partner all such additional completed forms in respect of the Subscriber's purchase of the Units as may be required for filing with the appropriate securities commissions and regulatory authorities.

**EXHIBIT B**

**RISK ACKNOWLEDGEMENT FORM  
TO BE COMPLETED BY ALL SUBSCRIBERS**

**RISK ACKNOWLEDGEMENT – FORM 45-106F4**

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the Offering Memorandum.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- The securities are redeemable, but I may only be able to redeem them in limited circumstances.
- The Units offered pursuant to this Offering Memorandum are unsecured and are not insured against loss through the Canadian Deposit Insurance Corporation or any other insurance company or program.
- I could lose all the money I invest.

I am investing \$\_\_\_\_\_ in total, this includes any amounts I am obligated to pay in the future.

Where allowed by applicable securities legislation, the Limited Partnership intends to offer compensation of up to **8%** of the gross proceeds realized on the sale of Units under this Offering to any one of, or a combination of, the following parties: unrelated investment dealers, unrelated Exempt Market Dealers and/or their dealing representatives, parties related to the Limited Partnership, employees and/or contractors of such parties, and officers and directors of the General Partner.

**I acknowledge that this is a risky investment and that I could lose all the money I invest.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Print name of Purchaser

**Sign 2 copies of this document. Keep one copy for your records.**

**W  
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**You have 2 business days to cancel your purchase**

To do so, send a notice to Permex Petroleum Limited Partnership stating that you want to cancel your purchase. You must deliver the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to Permex Petroleum Limited Partnership at its business address. Keep a copy of the notice for your records.

**Issuer Name:**

Address:

Phone #:

Fax #:

Email:

**Permex Petroleum Limited Partnership**

Suite 1290, 625 Howe Street

Vancouver, BC, V6C 2T6

(604) 259-2525

(604) 674-5113

info@energyresourcescorp.ca

## You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

## You will receive an Offering Memorandum

Read the Offering Memorandum carefully because it has important information about the issuer and its securities. Keep the Offering Memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

## The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

## The issuer of your securities is a non-reporting issuer

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, contact your local securities regulatory authority or regulator.

<b>British Columbia Securities Commission</b>	<b>Manitoba Securities Commission</b>
701 West Georgia Street PO Box 10142, Pacific Centre Vancouver, BC V7Y 1L2 Phone: 604-899-6854 Fax: 604-899-6506 <a href="http://www.bcsc.bc.ca">www.bcsc.bc.ca</a>	400 Saint Mary Avenue Winnipeg, MB R3C 4K5 Phone: 204-945-2548 Fax: 204-945-0330 <a href="http://www.msc.gov.mb.ca">www.msc.gov.mb.ca</a>
<b>Financial and Consumer Services Commission (New Brunswick)</b>	<b>Government of Newfoundland and Labrador Financial Services Regulation Division</b>
85 Charlotte Street, Suite 300 Saint John, New Brunswick E2L 2J2 Telephone: (506) 658-3060 Toll free in Canada: 1-866-933-2222 Facsimile: (506) 658-3059 Email: <a href="mailto:info@fcnb.ca">info@fcnb.ca</a>	P.O. Box 8700 Confederation Building 2nd Floor, West Block Prince Philip Drive St. John's, Newfoundland and Labrador A1B 4J6 Attention: Director of Securities Telephone: (709) 729-4189 Facsimile: (709) 729-6187
<b>Government of the Northwest Territories Office of the Superintendent of Securities</b>	<b>Nova Scotia Securities Commission</b>
P.O. Box 1320 Yellowknife, Northwest Territories X1A 2L9 Attention: Deputy Superintendent, Legal & Enforcement Telephone: (867) 920-8984 Facsimile: (867) 873-0243	Suite 400, 5251 Duke Street Duke Tower P.O. Box 458 Halifax, Nova Scotia B3J 2P8 Telephone: (902) 424-7768 Facsimile: (902) 424-4625

<b>Government of Nunavut Department of Justice</b>	<b>Ontario Securities Commission</b>
Legal Registries Division P.O. Box 1000, Station 570 1st Floor, Brown Building Iqaluit, Nunavut X0A 0H0 Telephone: (867) 975-6590 Facsimile: (867) 975-6594	20 Queen Street West, 22 <sup>nd</sup> Floor Toronto, Ontario M5H 3S8 Telephone: (416) 593- 8314 Toll free in Canada: 1-877-785-1555 Facsimile: (416) 593-8122
<b>Prince Edward Island Securities Office</b>	<b>Autorité des marchés financiers</b>
95 Rochford Street, 4th Floor Shaw Building P.O. Box 2000 Charlottetown, Prince Edward Island C1A 7N8 Telephone: (902) 368-4569 Facsimile: (902) 368-5283	800, Square Victoria, 22e étage C.P. 246, Tour de la Bourse Montréal, Québec H4Z 1G3 Telephone: (514) 395-0337 or 1-877-525-0337 Facsimile: (514) 873-6155 Facsimile: (514) 864-6381
<b>Financial and Consumer Affairs Authority of Saskatchewan</b>	<b>Government of Yukon Department of Community Services</b>
6 <sup>th</sup> Floor, 1919 Saskatchewan Drive Regina, SK S4P 3V7 Phone: 306-787-5645 Fax: 306-787-5899 <a href="http://www.sfs.gov.sk.ca">www.sfs.gov.sk.ca</a>	Law Centre, 3rd Floor 2130 Second Avenue Whitehorse, Yukon Y1A 5H6 Telephone: (867) 667-5314 Facsimile: (867) 393-6251

**Instructions: The purchaser must sign 2 copies of this form.**

**The purchaser and the issuer must each receive a signed copy.**

## EXHIBIT C

### TO BE COMPLETED BY INDIVIDUAL INVESTORS RESIDENT IN SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA

#### CLASSIFICATION OF INVESTORS UNDER THE OFFERING MEMORANDUM EXEMPTION

**Instructions:** This EXHIBIT C must be completed together with the Risk Acknowledgement Form attached as EXHIBIT B and the Investment Limits for Investors Under the Offering Memorandum Exemption attached as EXHIBIT D by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 Prospectus Exemptions (NI 45-106) in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia.

#### How you qualify to buy securities under the offering memorandum exemption

Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.

A. You are an eligible investor because:		Your initials
ELIGIBLE INVESTOR	Your net income before taxes was more than \$75,000 in each of the 2 most recent calendar years, and you expect it to be more than \$75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with your spouse, you have net assets worth more than \$400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	

B. You are an eligible investor, as a person described in section 2.3 [ <i>Accredited investor</i> ] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the <i>Securities Act</i> (Ontario), because:		Your initials
ACCREDITED INVESTOR	Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
	Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI 45-106, because:		Your initials
FAMILY, FRIENDS AND BUSINESS ASSOCIATES	<p>You are:</p> <p>1) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a founder of the issuer</p> <p>OR</p> <p>2) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
	<p>You are a family member of _____ <i>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]</i>, who holds the following position at the issuer or an affiliate of the issuer:</p> <p>_____</p> <p>You are the _____ of that person or that person's spouse.</p> <p><i>[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</i></p>	
	<p>You are a close personal friend of _____ <i>[Instruction: Insert the name of your close personal friend]</i>, who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	
	<p>You are a close business associate of _____ <i>[Instruction: Insert the name of your close business associate]</i>, who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	

D. You are not an eligible investor.		Your initials
NOT AN ELIGIBLE INVESTOR	You acknowledge that you are not an eligible investor.	

## EXHIBIT D

### TO BE COMPLETED BY INDIVIDUAL INVESTORS RESIDENT IN SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA

#### INVESTMENT LIMITS FOR INVESTORS UNDER THE OFFERING MEMORANDUM EXEMPTION

Instructions: This EXHIBIT D must be completed together with the Risk Acknowledgement Form attached as EXHIBIT B and Classification of Investors Under the Offering Memorandum Exemption attached as EXHIBIT C by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 Prospectus Exemptions (NI 45-106) in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia.

#### SECTION 1 TO BE COMPLETED BY THE PURCHASER

1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption

You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in EXHIBIT C. Initial the statement that applies to you.

A. You are an eligible investor.		Your initials
ELIGIBLE INVESTOR	As an eligible investor that is an individual, you cannot invest more than <b>\$30,000</b> in all offering memorandum exemption investments made in the previous 12 months, unless you have received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule, that your investment is suitable.	
	Initial one of the following statements:	
	You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$30,000 in all offering memorandum exemption investments made in the previous 12 months.	
	You confirm that you received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule that the following investment is suitable.	
	You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of \$100,000.	

B. You are an eligible investor, as a person described in section 2.3 [Accredited investor] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the Securities Act (Ontario).		Your initials
ACCREDITED INVESTOR	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 [Accredited investor], you are not subject to investment limits.	

C. You are an eligible investor, as a person described in section 2.5 <i>[Family, friends and business associates]</i> of NI 45-106.		Your initials
<b>FAMILY, FRIENDS AND BUSINESS ASSOCIATES</b>	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.5 <i>[Family, friends and business associates]</i> , you are not subject to investment limits.	

SECTION 2 TO BE COMPLETED BY THE REGISTRANT	
2. Registrant information	
<i>[Instruction: this section must only be completed if an investor has received advice from a portfolio manager, investment dealer or exempt market dealer concerning his or her investment.]</i>	
First and last name of registrant (please print):	
Registered as: <i>[Instruction: indicate whether registered as a dealing representative or advising representative]</i>	
Telephone:	Email:
Name of firm: <i>[Instruction: indicate whether registered as an exempt market dealer, investment dealer or portfolio manager.]</i>	
Date:	



## EXHIBIT E

### ELIGIBLE INVESTOR REPRESENTATION LETTER (MB, NWT, NU, PEI, YK)

TO BE COMPLETED BY ELIGIBLE INVESTORS RESIDENT IN  
MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, PRINCE EDWARD ISLAND AND YUKON  
WHO ARE SUBSCRIBING FOR MORE THAN \$10,000 IN UNITS

TO: Permex Petroleum Limited Partnership (the "Limited Partnership")  
AND TO: Permex Petroleum Operating Ltd. (the "General Partner")

All money references are in Canadian Dollars.

In connection with the purchase of Limited Partnership Units (the "**Units**") of the Limited Partnership by the undersigned subscriber (the "**Subscriber**"), the Subscriber hereby represents, warrants, covenants and certifies to the Limited Partnership and the General Partner that:

1. The Subscriber is resident in the jurisdiction as set forth on page 1 of this Subscription Agreement or is subject to the securities laws of such jurisdiction;
2. The Subscriber is purchasing the Units as principal for its own account;
3. The Subscriber is an "eligible investor" within the meaning of NI 45-106 by virtue of satisfying the indicated criterion as set out in EXHIBIT F;
4. Upon execution of this EXHIBIT E by the Subscriber, this EXHIBIT E (together with EXHIBIT F, and all other applicable Exhibits) shall be incorporated into and form a part of the Subscription Agreement; and
5. If any of the foregoing representations and warranties ceases to be correct at any time prior to the Closing, the Subscriber will immediately provide written notice to the Limited Partnership and the General Partner.

The foregoing representations, warranties and covenant are true and accurate as of the date of this Eligible Investor Representation Letter (MB, NWT, NU, PEI, YK) and will be true and accurate as of the Closing.

**[THIS SPACE INTENTIONALLY LEFT BLANK.]**

**IN WITNESS WHEREOF**, the undersigned has executed this Eligible Investor Representation Letter (MB, NWT, NU, PEI, YK) as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

**IMPORTANT: YOU MUST MARK THE CATEGORY OR CATEGORIES IN EXHIBIT F, WHICH BEGINS ON THE NEXT PAGE, THAT DESCRIBES HOW YOU QUALIFY AS AN ELIGIBLE INVESTOR, AND COMPLY WITH THE INSTRUCTIONS UNDER SUCH CATEGORY OR CATEGORIES, AS APPLICABLE.**

## EXHIBIT F

### ELIGIBLE INVESTOR STATUS CERTIFICATE (MB, NWT, NU, PEI, YK)

#### TO BE COMPLETED BY ELIGIBLE INVESTORS RESIDENT IN MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, PRINCE EDWARD ISLAND AND YUKON WHO ARE SUBSCRIBING FOR MORE THAN \$10,000 IN UNITS

*The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.*

All money references are in Canadian Dollars.

The Subscriber is (and at the Closing will be) an eligible investor within the meaning of National Instrument 45-106 – *Prospectus Exemptions* by virtue of being **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ELIGIBLE INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	(a)	a <b>person</b> whose <b>net assets</b> , alone or with a <b>spouse</b> , exceed \$400,000,  <i><b>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(b)	a <b>person</b> whose net income before taxes exceeded \$75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, or  <i><b>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(c)	a <b>person</b> whose net income before taxes combined with that of a <b>spouse</b> exceeded \$125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year,  <i><b>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(d)	a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>eligible investors</b> ,  <i><b>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Eligible Investor Status Certificate and (ii) if such beneficial owner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(e)	a <b>person</b> of which a majority of the <b>directors</b> are <b>eligible investors</b> ,  <i><b>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of such directors complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities</b></i>

		<b>legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor Status Certificate and (ii) if such director is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</b>
	(f)	<p>a general partnership in which all of the partners are <b>eligible investors</b>,</p> <p><b><i>[Instructions: Please include a register of partners (or equivalent) showing the names of all partners and have each owner complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i></b></p>
	(g)	<p>a limited partnership in which the majority of the general partners are <b>eligible investors</b>,</p> <p><b><i>[Instructions: Please include a register of general partners (or equivalent) showing the names of all general partners and have each owner complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i></b></p>
	(h)	<p>a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are <b>eligible investors</b>,</p> <p><b><i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries OR a majority of the trustees or executors complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such beneficiary, trustee or executor is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i></b></p>
	(i)	<p>an <b>accredited investor</b>,</p> <p><b><i>[Instructions: Please complete, date and execute the Underlying Accredited Investor Status Certificate attached as EXHIBIT K, and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Accredited Investor Status Certificate.]</i></b></p>
	(j)	a <b>director, executive officer or control person</b> of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.
	(k)	a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.
	(l)	a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer or control person</b> of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.

	(m)	<p>a <b>spouse</b>, parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p>
	(n)	<p>a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer or control person</b> of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p>
	(o)	<p>a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p>
	(p)	<p>a <b>close personal friend</b> of _____, a <b>director, executive officer or control person</b> of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p>_____</p>
	(q)	<p>a <b>close personal friend</b> of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p>_____</p>
	(r)	<p>a <b>close business associate</b> of _____, a <b>director, executive officer or control person</b> of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p>_____</p>
	(s)	<p>a <b>close business associate</b> of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of</i></p>

		<p><b>the relationship described above:</b>_____</p> <p>_____ ]</p>
	(t)	<p>a <b>founder</b> of the Limited Partnership or a <b>spouse</b>, parent, grandparent, brother, sister, child, grandchild, <b>close personal friend</b> or <b>close business associate</b> of _____, a <b>founder</b> of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:</b>_____</p> <p>_____ ]</p>
	(u)	<p>a parent, grandparent, brother, sister, child or grandchild of a <b>spouse</b> of _____, a <b>founder</b> of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p>
	(v)	<p>a <b>person</b> of which a majority of the voting securities are beneficially owned by persons described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</b></p>
	(w)	<p>a <b>person</b> of which a majority of the <b>directors</b> are persons described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of the directors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</b></p>

	(x)	<p>a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b><i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries or a majority of the trustees or executors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p>
	(y)	<p>in Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon, a person that has obtained advice regarding the suitability of the investment and if the person is resident in a jurisdiction of Canada, that advice has been obtained from an <b>eligibility adviser</b>.</p> <p><b><i>[Instructions: Please provide the name, firm (if applicable) and contact information of the eligibility adviser that provided such advice:</i></b></p> <p><b><i>Name:</i></b> _____</p> <p><b><i>Firm:</i></b> _____</p> <p><b><i>Telephone number:</i></b> _____</p>

**IN WITNESS WHEREOF**, the undersigned has executed this Eligible Investor Status Certificate (MB, NWT, NU, PEI, YK) as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

For the purposes hereof, the following definitions are included for convenience:

**"accredited investor"** means a person who meets the criteria in at least one of Items a through w, in the table set out in the Underlying Accredited Investor Status Certificate attached as EXHIBIT K.

**"close business associate"** is an individual who has had sufficient prior business dealings with a director, executive officer, founder or control person of the issuer to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close business associate solely because the individual is (a) a member of the same club, organization, association or religious group, (b) a co-worker, colleague or associate at the same workplace, (c) a client, customer, former client or former customer, (d) a mere acquaintance, or (e) connected through some form of social media, such as Facebook, Twitter or LinkedIn.

**"close personal friend"** of a director, executive officer, founder or control person of an issuer is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close personal friend solely because the individual is (a) a relative, (b) a member of the same club, organization, association or religious group, (c) a co-worker, colleague or associate at the same workplace, (d) a client, customer, former client or former customer, (e) a mere acquaintance, or (f) connected through some form of social media, such as Facebook, Twitter or LinkedIn;

**"control person"** means

- (i) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or
- (ii) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer,

and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

**"director"** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**"eligibility advisor"** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction off Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - a. have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - b. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**"eligible investor"** means a person who meets the criteria in at least one of Items (a) through (y), in the table above.



**"executive officer"** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer.

**"founder"** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer.

**"net assets"** includes all of the Subscriber's total assets minus all of the Subscriber's total liabilities; as a result, the calculation of total assets would include the value of the Subscriber personal residence or other real estate and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence or other real estate; income tax should also be considered a liability if the obligation to pay it is outstanding at the Closing;

**"person"** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative; and

**"spouse"** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

**EXHIBIT G**

**ELIGIBLE INVESTOR REPRESENTATION LETTER  
(SK, ON, QU, NB, NS)**

**TO BE COMPLETED BY ELIGIBLE INVESTORS RESIDENT IN  
SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA  
WHO ARE SUBSCRIBING FOR MORE THAN \$10,000 IN UNITS**

**TO: Permex Petroleum Limited Partnership (the "Limited Partnership")**  
**AND TO: Permex Petroleum Operating Ltd. (the "General Partner")**

All money references are in Canadian Dollars.

In connection with the purchase of Limited Partnership Units (the "**Units**") of the Limited Partnership by the undersigned subscriber (the "**Subscriber**"), the Subscriber hereby represents, warrants, covenants and certifies to the Limited Partnership and the General Partner that:

1. The Subscriber is resident in the jurisdiction as set forth on page 1 of this Subscription Agreement or is subject to the securities laws of such jurisdiction;
2. The Subscriber is purchasing the Units as principal for its own account;
3. The Subscriber is an "eligible investor" within the meaning of NI 45-106 by virtue of satisfying the indicated criterion as set out in EXHIBIT H to this Eligible Investor Representation Letter and is **[check the appropriate box]**

- (a) the Subscriber is not an individual, ☐
- (b) the acquisition cost of all securities acquired by the Subscriber in its capacity as an "eligible investor", as such term is defined in the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, does not exceed \$30,000, or ☐
- (c) the Subscriber received investment advice from the portfolio manager, investment dealer or exempt market dealer named below, that the investment in the Units is suitable for the Subscriber and the acquisition cost of all securities acquired by the Subscriber in its capacity as an "eligible investor", as such term is defined in the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, does not exceed \$100,000; ☐

**IF ITEM (c) IS CHECKED**, please print the name, firm (if applicable) and contact information of the portfolio manager, investment dealer or exempt market dealer who provided suitability advice below.

NAME: \_\_\_\_\_

FIRM: \_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_

4. Upon execution of this EXHIBIT G by the Subscriber, this EXHIBIT G (together with EXHIBIT H, and all other applicable Exhibits) shall be incorporated into and form a part of the Subscription Agreement; and
5. If any of the foregoing representations and warranties ceases to be correct at any time prior to the Closing, the Subscriber will immediately provide written notice to the Limited Partnership and the General Partner.

The foregoing representations, warranties and covenant are true and accurate as of the date of this Eligible Investor Representation Letter (SK, ON, QU, NB, NS) and will be true and accurate as of the Closing.

**IN WITNESS WHEREOF**, the undersigned has executed this Eligible Investor Representation Letter (SK, ON, QU, NB, NS) as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

**IMPORTANT: YOU MUST MARK THE CATEGORY OR CATEGORIES IN EXHIBIT H, WHICH BEGINS ON THE NEXT PAGE, THAT DESCRIBES HOW YOU QUALIFY AS AN ELIGIBLE INVESTOR, AND COMPLY WITH THE INSTRUCTIONS UNDER SUCH CATEGORY OR CATEGORIES, AS APPLICABLE.**

## EXHIBIT H

### ELIGIBLE INVESTOR STATUS CERTIFICATE (SK, ON, QU, NB, NS)

#### TO BE COMPLETED BY ELIGIBLE INVESTORS RESIDENT IN SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA WHO ARE SUBSCRIBING FOR MORE THAN \$10,000 IN UNITS

*The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.*

All money references are in Canadian Dollars.

The Subscriber is (and at the Closing will be) an eligible investor within the meaning of National Instrument 45-106 – *Prospectus Exemptions* by virtue of being **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ELIGIBLE INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	(a)	a <b>person</b> whose <b>net assets</b> , alone or with a <b>spouse</b> , exceed \$400,000,  <i><b>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(b)	a <b>person</b> whose net income before taxes exceeded \$75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, or  <i><b>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(c)	a <b>person</b> whose net income before taxes combined with that of a <b>spouse</b> exceeded \$125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year,  <i><b>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(d)	a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>eligible investors</b> ,  <i><b>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Eligible Investor Status Certificate and (ii) if such beneficial owner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(e)	a <b>person</b> of which a majority of the <b>directors</b> are <b>eligible investors</b> ,  <i><b>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of such directors complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities</b></i>

		<b>legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor Status Certificate and (ii) if such director is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</b>
	(f)	<p>a general partnership in which all of the partners are <b>eligible investors</b>,</p> <p><b>[Instructions: Please include a register of partners (or equivalent) showing the names of all partners and have each owner complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</b></p>
	(g)	<p>a limited partnership in which the majority of the general partners are <b>eligible investors</b>,</p> <p><b>[Instructions: Please include a register of general partners (or equivalent) showing the names of all general partners and have each owner complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</b></p>
	(h)	<p>a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are <b>eligible investors</b>,</p> <p><b>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries OR a majority of the trustees or executors complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such beneficiary, trustee or executor is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</b></p>
	(i)	<p>an <b>accredited investor</b>,</p> <p><b>[Instructions: Please complete, date and execute the Underlying Accredited Investor Status Certificate attached as EXHIBIT K, and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Accredited Investor Status Certificate.]</b></p>
	(j)	is a <b>director, executive officer or control person</b> of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.
	(k)	is a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.
	(l)	is a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer or control person</b> of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.

	(m)	<p>is a <b>spouse</b>, parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p>
	(n)	<p>is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p>
	(o)	<p>is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p>
	(p)	<p>is a <b>close personal friend</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p> <p><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</b></p>
	(q)	<p>is a <b>close personal friend</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p> <p><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</b></p>
	(r)	<p>is a <b>close business associate</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p>

		<p>_____ ]</p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(s)	<p>is a <b>close business associate</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____ ]</i></p> <p>_____ ]</p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(t)	<p>is a <b>founder</b> of the Limited Partnership or a <b>spouse</b>, parent, grandparent, brother, sister, child, grandchild, <b>close personal friend</b> or <b>close business associate</b> of _____, a <b>founder</b> of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____ ]</i></p> <p>_____ ]</p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and the relationship described above is a close personal friendship or a close business association with a founder of the Limited Partnership, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(u)	<p>is a parent, grandparent, brother, sister, child or grandchild of a <b>spouse</b> of _____, a <b>founder</b> of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p>
	(v)	<p>is a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>persons</b> described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><i>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and</i></p>

		<p><b><i>provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p> <p><b><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></b></p>
	(w)	<p>is a <b>person</b> of which a majority of the <b>directors</b> are persons described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b><i>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of the directors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p> <p><b><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></b></p>
	(x)	<p>is a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b><i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries or a majority of the trustees or executors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p> <p><b><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></b></p>

[THIS SPACE INTENTIONALLY LEFT BLANK.]



**IN WITNESS WHEREOF, the undersigned has executed this Eligible Investor Status Certificate (SK, ON, QU, NB, NS) as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_\_.**

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Signature of individual (if Subscriber **is** an individual)

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Authorized signatory (if Subscriber **is not** an individual)

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Name of Subscriber **(please print)**

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Name of authorized signatory **(please print)**

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Official capacity of authorized signatory **(please print)**

For the purposes hereof, the following definitions are included for convenience:

**"accredited investor"** means a person who meets the criteria in at least one of Items a through w, in the table set out in the Underlying Accredited Investor Status Certificate attached as EXHIBIT K.

**"close business associate"** is an individual who has had sufficient prior business dealings with a director, executive officer, founder or control person of the issuer to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close business associate solely because the individual is (a) a member of the same club, organization, association or religious group, (b) a co-worker, colleague or associate at the same workplace, (c) a client, customer, former client or former customer, (d) a mere acquaintance, or (e) connected through some form of social media, such as Facebook, Twitter or LinkedIn.

**"close personal friend"** of a director, executive officer, founder or control person of an issuer is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close personal friend solely because the individual is (a) a relative, (b) a member of the same club, organization, association or religious group, (c) a co-worker, colleague or associate at the same workplace, (d) a client, customer, former client or former customer, (e) a mere acquaintance, or (f) connected through some form of social media, such as Facebook, Twitter or LinkedIn;

**"control person"** means

- (i) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or
- (ii) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer,

and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

**“director”** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**“eligibility advisor”** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction off Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - c. have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - d. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**“eligible investor”** means a person who meets the criteria in at least one of Items (a) through (x), in the table above.

**“executive officer”** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer.

**“founder”** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer.

**“net assets”** includes all of the Subscriber's total assets minus all of the Subscriber's total liabilities; as a result, the calculation of total assets would include the value of the Subscriber personal residence or other real estate and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence or other real estate; income tax should also be considered a liability if the obligation to pay it is outstanding at the Closing;

**“person”** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative; and

**“spouse”** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or

- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

## EXHIBIT I

### ELIGIBLE INVESTOR PROFILE

Securities legislation requires that the Limited Partnership obtain detailed information about its investors. We collect and maintain your personal information in order to allow us to establish your identity and verify your Eligible Investor status. Please fill in **ALL** parts of the form that begins on the next page, or indicate "Not Applicable" and **DO NOT LEAVE ANY AREAS BLANK**. Please advise the Limited Partnership whenever there is any change to this information.

<b>INVESTOR INFORMATION:</b>				
<input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Dr.				
First Name:		Last Name:		
Province / Territory of Residency:				
Residential Address:		City	Province	Postal Code
Home Phone #	Business Phone #	Cell #	Fax #	
Employment Status				
<input type="checkbox"/> Employed <input type="checkbox"/> Self Employed <input type="checkbox"/> Student <input type="checkbox"/> Homemaker <input type="checkbox"/> Unemployed <input type="checkbox"/> Retired (Please indicate previous employment information)				
Occupation	Employer's Name	Employer Address	Type of Business	Years with Employer
Spouse's Name <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Dr.		Occupation of Spouse	Spouse's Employer's Name	Years with Employer
First Name:                      Last Name:				
<b>INVESTOR PROFILE – Please check all applicable boxes</b>				
<b>Net Assets</b> (net financial assets + fixed and long term assets – liabilities incurred or assumed to finance acquisition of fixed or long term assets or liabilities secured by fixed or long term assets)				
<input type="checkbox"/> Less than \$400,000, Individual with or without spouse <input type="checkbox"/> More than \$400,000, Individual with or without spouse				
<b>Net Income</b> (Net Income before tax in each of the 2 most recent calendar years, and expected Net Income from the current calendar year)				
<b>2015</b>		<b>2016</b>		<b>Expected 2017</b>
<input type="checkbox"/> Less than \$75,000 individual only		<input type="checkbox"/> Less than \$75,000 individual only		<input type="checkbox"/> Less than \$75,000 individual only
<input type="checkbox"/> More than \$75,000 individual only		<input type="checkbox"/> More than \$75,000 individual only		<input type="checkbox"/> More than \$75,000 individual only
<input type="checkbox"/> Less than \$125,000 combined individual and spouse		<input type="checkbox"/> Less than \$125,000 combined individual and spouse		<input type="checkbox"/> Less than \$125,000 combined individual and spouse
<input type="checkbox"/> More than \$125,000 combined individual and spouse		<input type="checkbox"/> More than \$125,000 combined individual and spouse		<input type="checkbox"/> More than \$125,000 combined individual and spouse
The above information is true and complete.		DATE		
<b>X</b>  _____ <b>INVESTOR SIGNATURE</b>				

1. We are obliged to verify the identity of our investors in accordance with applicable securities legislation and appreciate your understanding and cooperation in meeting this requirement.
2. All investor information is considered confidential and is protected by the *Personal Information Protection and Electronic Documents Act* (PIPEDA). We will not disclose any such information except in response to a legally enforceable demand or to bona fide regulatory authorities with jurisdiction over Permex Petroleum Limited Partnership or Permex Petroleum Operating Ltd.

## EXHIBIT J

### UNDERLYING ELIGIBLE INVESTOR STATUS CERTIFICATE

The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.

All money references are in Canadian Dollars.

The undersigned is \_\_\_\_\_ [fill in or circle one of the following: a shareholder, a director, a partner of a general partnership, a general partner of a limited partnership, a beneficiary of a trust or a trustee or an executor of an estate] of the Subscriber and is (and at the Closing will be) an "eligible investor" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, by virtue of being **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ELIGIBLE INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	(a)	a <b>person</b> whose <b>net assets</b> , alone or with a <b>spouse</b> , exceed \$400,000,  <i>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(b)	a <b>person</b> whose net income before taxes exceeded \$75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, or  <i>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(c)	a <b>person</b> whose net income before taxes combined with that of a <b>spouse</b> exceeded \$125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year,  <i>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(d)	a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>eligible investors</b> ,  <i>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute (i) a copy of this Underlying Eligible Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Eligible Investor Status Certificate and (ii) if such beneficial owner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(e)	a <b>person</b> of which a majority of the <b>directors</b> are <b>eligible investors</b> ,  <i>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of such directors complete, date and execute (i) a copy of this Underlying Eligible Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Eligible Investor Status Certificate and (ii) if such director is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>

	(f)	<p>a general partnership in which all of the partners are <b>eligible investors</b>,</p> <p><i>[Instructions: Please include a register of partners (or equivalent) showing the names of all partners and have each partner complete, date and execute (i) a copy of this Underlying Eligible Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in this Underlying Eligible Investor Status Certificate and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i></p>
	(g)	<p>a limited partnership in which the majority of the general partners are <b>eligible investors</b>,</p> <p><i>[Instructions: Please include a register of general partners (or equivalent) showing the names of all general partners and have a majority of the partners complete, date and execute (i) a copy of this Underlying Eligible Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in this Underlying Eligible Investor Status Certificate, and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i></p>
	(h)	<p>a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are <b>eligible investors</b>,</p> <p><i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries or a majority of the trustees or executors complete, date and execute (i) a copy of this Underlying Eligible Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in this Underlying Eligible Investor Status Certificate, and (ii) if such beneficiary, trustee or executor is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i></p>
	(i)	<p>an <b>accredited investor</b>,</p> <p><i>[Instructions: Please complete, date and execute the Underlying Accredited Investor Status Certificate attached as EXHIBIT K, and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Accredited Investor Status Certificate.]</i></p>
	(j)	and is a <b>director, executive officer or control person</b> of the Limited Partnership
	(k)	and is a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership
	(l)	and is a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer or control person</b> of the Limited Partnership
	(m)	and is a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership
	(n)	and is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer or control person</b> of the Limited Partnership

	<p>(o) and is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership</p>
	<p>(p) and is a <b>close personal friend</b> of _____, a <b>director, executive officer or control person</b> of the Limited Partnership</p> <p><i><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></i></p> <p><i><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</b></i></p>
	<p>(q) and is a <b>close personal friend</b> of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership</p> <p><i><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></i></p> <p><i><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</b></i></p>
	<p>(r) and is a <b>close business associate</b> of _____, a <b>director, executive officer or control person</b> of the Limited Partnership</p> <p><i><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></i></p> <p><i><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</b></i></p>
	<p>(s) and is a <b>close business associate</b> of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership</p> <p><i><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></i></p> <p><i><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</b></i></p>

	(t)	<p>and is a <b>founder</b> of the Limited Partnership or a <b>spouse</b>, parent, grandparent, brother, sister, child, grandchild, <b>close personal friend</b> or <b>close business associate</b> of _____, a <b>founder</b> of the Limited Partnership</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above: _____]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and the relationship described above is a close personal friendship or a close business association with a founder of the Limited Partnership, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(u)	<p>and is a parent, grandparent, brother, sister, child or grandchild of a <b>spouse</b> of _____, a <b>founder</b> of the Limited Partnership</p>
	(v)	<p>and is a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>persons</b> described in paragraphs (j) to (u), above</p> <p><i>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(w)	<p>and is a <b>person</b> of which a majority of the <b>directors</b> are persons described in paragraphs (j) to (u), above</p> <p><i>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of the directors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>



	(x)	<p>and is a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (j) to (u), above</p> <p><b><i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries or a majority of the trustees or executors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p> <p><b><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></b></p>
	(y)	<p>in Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon, a person that has obtained advice regarding the suitability of the investment and if the person is resident in a jurisdiction of Canada, that advice has been obtained from an <b>eligibility adviser</b>.</p> <p><b><i>[Instructions: Please provide the name, firm (if applicable) and contact information of the eligibility adviser that provided such advice:</i></b></p> <p><b>Name:</b> _____</p> <p><b>Firm:</b> _____</p> <p><b>Telephone number:</b> _____</p>

**IN WITNESS WHEREOF**, the undersigned has executed this Underlying Eligible Investor Status Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

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Signature of individual (if Subscriber **is** an individual)

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Authorized signatory (if Subscriber **is not** an individual)

---

Name of Subscriber **(please print)**

---

Name of authorized signatory **(please print)**

---

Official capacity of authorized signatory **(please print)**

For the purposes hereof, the following definitions are included for convenience:

**"accredited investor"** means a person who meets the criteria in at least one of Items a through w, in the table set out in the Underlying Accredited Investor Status Certificate attached as EXHIBIT K.

**"close business associate"** is an individual who has had sufficient prior business dealings with a director, executive officer, founder or control person of the issuer to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close business associate solely because the individual is (a) a member of the same club, organization, association or religious group, (b) a co-worker, colleague or associate at the same workplace, (c) a client, customer, former client or former customer, (d) a mere acquaintance, or (e) connected through some form of social media, such as Facebook, Twitter or LinkedIn.

**"close personal friend"** of a director, executive officer, founder or control person of an issuer is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close personal friend solely because the individual is (a) a relative, (b) a member of the same club, organization, association or religious group, (c) a co-worker, colleague or associate at the same workplace, (d) a client, customer, former client or former customer, (e) a mere acquaintance, or (f) connected through some form of social media, such as Facebook, Twitter or LinkedIn;

**"control person"** means

- (i) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or
- (ii) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer,

and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

**"director"** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**"eligibility advisor"** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction off Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - a. have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - b. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**"eligible investor"** means a person who meets the criteria in at least one of Items (a) through (y), in the table above.

**"executive officer"** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer.

**"founder"** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer.

**"net assets"** includes all of the Subscriber's total assets minus all of the Subscriber's total liabilities; as a result, the calculation of total assets would include the value of the Subscriber personal residence or other real estate and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence or other real estate; income tax should also be considered a liability if the obligation to pay it is outstanding at the Closing;

**"person"** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative; and

**"spouse"** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

## EXHIBIT K

### UNDERLYING ACCREDITED INVESTOR STATUS CERTIFICATE

*The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.*

All money references are in Canadian Dollars.

The undersigned is **[check the appropriate box]**

- ☐ \_\_\_\_\_ **[fill in or circle one of the following:** a shareholder, a trustee or a settlor] of the Subscriber, or
- ☐ a Subscriber who has initialed the box beside either Item (i) on the Eligible Investor Status Certificate (MB, NWT, NU, PEI, YK) attached as EXHIBIT F, or Item (i) on the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, or
- ☐ a Subscriber who has initialed the box beside Item (i) on the Underlying Eligible Investor Status Certificate attached as EXHIBIT K,

and is (and at the Closing will be) an “accredited investor” within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, by virtue of being **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	a.	a <b>Canadian financial institution</b> , or a <b>Schedule III bank</b> ;
	b.	the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);
	c.	a <b>subsidiary</b> of any <b>person</b> referred to in paragraphs (a), (a.1) or (b), if the <b>person</b> owns all of the voting securities of the <b>subsidiary</b> , except the voting securities required by law to be owned by <b>directors</b> of that subsidiary;
	d.	a <b>person</b> registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;  <b>[Instructions: Please include proof of registration.]</b>
	e.	an <b>individual</b> registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);  <b>[Instructions: Please include proof of registration.]</b>
	e.1	an <b>individual</b> formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as an representative of a limited market dealer under one or both of the Securities Act (Ontario) or the Securities Act (Newfoundland and Labrador);  <b>[Instructions: Please include proof of former registration.]</b>
	f.	the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
	g.	a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;

	h.	any national, federal, state, provincial, territorial or municipal government of or in any <b>foreign jurisdiction</b> , or any agency of that government;
	i.	a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;
	j.	<p>an <b>individual</b> who, either alone or with a <b>spouse</b>, beneficially owns <b>financial assets</b> having an aggregate realizable value that before taxes, but net of any <b>related liabilities</b>, exceeds \$1,000,000;</p> <p><b>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT L.]</b></p>
	j.1.	<p>an <b>individual</b> who beneficially owns <b>financial assets</b> having an aggregate realizable value that, before taxes but net of any <b>related liabilities</b>, exceeds \$5,000,000;</p> <p><b>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT L.]</b></p>
	k.	<p>an <b>individual</b> whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a <b>spouse</b> exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;</p> <p><b>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT L.]</b></p>
	l.	<p>an <b>individual</b> who, either alone or with a <b>spouse</b>, has <b>net assets</b> of at least \$5,000,000;</p> <p><b>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT L.]</b></p>
	m.	<p>a <b>person</b>, other than an <b>individual</b> or <b>investment fund</b>, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements (prepared in accordance with applicable generally accepted accounting principles);</p> <p><b>[Note: a person is not eligible under this paragraph m if it was created or is being used solely to purchase or hold securities as an accredited investor in reliance upon this paragraph.]</b></p> <p><b>[Instructions: Please include a copy of your most recently prepared financial statements.]</b></p>
	n.	<p>an <b>investment fund</b> that distributes or has distributed its securities only to</p> <ul style="list-style-type: none"> <li>(i) a <b>person</b> that is or was an accredited investor at the time of the distribution,</li> <li>(ii) a <b>person</b> that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment], or 2.19 [Additional investment in investment funds] of the <b>instrument</b> or their equivalents under securities legislation of an applicable jurisdiction as specified in sections 8.1 and 8.2 of the <b>instrument</b>, or</li> <li>(iii) a <b>person</b> described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [Investment fund reinvestment] of the <b>instrument</b>;</li> </ul> <p><b>[Instructions: Please provide a list of securityholders and for each securityholder</b></p>

		<b>confirm which category of accredited investor he/she/it purchased the securities of the investment fund under and either provide evidence of (i) the purchaser's accredited investor status on the date of subscription or (ii) amount of aggregate subscription cost. We may ask for additional documentation.]</b>
	o.	an <b>investment fund</b> that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;
	p.	a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a <b>foreign jurisdiction</b> , acting on behalf of a <b>fully managed account</b> managed by the trust company or trust corporation, as the case may be;  <b>[Instructions: Please include proof of registration or authorization to carry on business.]</b>
	q.	a <b>person</b> acting on behalf of a <b>fully managed account</b> managed by that <b>person</b> , if that <b>person</b> is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a <b>foreign jurisdiction</b> ;  <b>[Instructions: Please include proof of registration or authorization to carry on business as an advisor or equivalent.]</b>
	r.	a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an <b>eligibility adviser</b> or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;
	s.	an entity organized in a <b>foreign jurisdiction</b> that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;  <b>[Instructions: If you are analogous to an entity referred to in paragraph (d), please include proof of registration.]</b>
	t.	a <b>person</b> in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by <b>directors</b> , are persons that are <b>accredited investors</b> ;  <b>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have each owner complete, date and execute (i) a copy of this Underlying Accredited Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Accredited Investor Status Certificate, and (ii) if such beneficial owner is an individual, the Accredited Investor Profile attached as EXHIBIT L.]</b>
	u.	an <b>investment fund</b> that is advised by a <b>person</b> registered as an adviser or a <b>person</b> that is exempt from registration as an adviser;  <b>[Instructions: Please include proof of registration or exemption from registration of the person that advises the investment fund.]</b>
	v.	a <b>person</b> that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or  <b>[Instructions: Please include proof of recognition or designation.]</b>

	w.	<p>a trust established by an accredited investor (the "Settlor") for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's <b>spouse</b>, a former <b>spouse</b> of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of the accredited investor, of that accredited investor's <b>spouse</b> or of that accredited investor's former <b>spouse</b>.</p> <p><i><b>[Instructions: Please include a copy of the trust agreement establishing the trust and have the Settlor and a majority of the trustees complete, date and execute (i) a copy of this Underlying Accredited Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Accredited Investor Status Certificate, and (ii) if such beneficial owner is an individual, the Accredited Investor Profile attached as EXHIBIT L.]</b></i></p>
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**IN WITNESS WHEREOF**, the undersigned has executed this Underlying Accredited Investor Status Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)



For the purposes hereof, the following definitions are included for convenience:

**“Canadian financial institution”** means

- (i) an association governed by the *Cooperative Credit Association Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
- (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

**“company”** means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

**“control”** - a person (first person) is considered to control another person (second person) if

- (i) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
- (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
- (iii) the second person is a limited partnership and the general partner of the limited partnership is the first person.

**“director”** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**“eligibility advisor”** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction off Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - a. have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - b. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**“EVCC”** means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia) and whose business objective is making multiple investments;

**“executive officer”** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer.

**“financial assets”** means

- (i) cash,
- (ii) securities, or
- (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

**NOTE:** the value of an investor's personal residence or other real estate is not included in the calculation of financial assets

**"financial statements"** includes interim financial reports;

**"foreign jurisdiction"** means a country other than Canada or a political subdivision of a country other than Canada;

**"founder"** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer.

**"fully managed account"** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

**"individual"** means a natural person, but does not include a partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust or a natural person in his or her capacity as trustee, executor, administrator or other legal personal representative;

**"instrument"** means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;

**"investment fund"** means a mutual fund or a non-redeemable investment fund, and for greater certainty in British Columbia, includes an EVCC or a VCC;

**"mutual fund"** means an issuer whose primary purpose is to invest money provided by its security holders and whose securities entitle the holder to receive on demand, or within a specified period after the demand, an amount computed by reference to the value of the proportionate interest in the whole or part of the net assets, including a separate fund or trust account, of the issuer;

**"net assets"** includes all of the Subscriber's total assets minus all of the Subscriber's total liabilities; as a result, the calculation of total assets would include the value of the Subscriber personal residence or other real estate and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence or other real estate; income tax should also be considered a liability if the obligation to pay it is outstanding at the Closing;

**"non redeemable investment fund"** means an issuer:

- (i) whose primary purpose is to invest money provided by its securityholders,
- (ii) that does not invest,
  - a. for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or
  - b. for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and
- (iii) that is not a mutual fund;

**"person"** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and

- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

**"related liabilities"** means

- (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
- (ii) liabilities that are secured by financial assets;

**"Schedule III bank"** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

**"spouse"** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

**"subsidiary"** means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary; and

**"VCC"** means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), whose business objective is making multiple investments.

## EXHIBIT L

### ACCREDITED INVESTOR PROFILE

Securities legislation requires that the Limited Partnership obtain detailed information about its investors. We collect and maintain your personal information in order to allow us to establish your identity and verify your Accredited Investor status. Please fill in **ALL** parts of the form that begins on the next page, or indicate "Not Applicable" and **DO NOT LEAVE ANY AREAS BLANK**. Please advise the Limited Partnership whenever there is any change to this information.

INVESTOR INFORMATION:				
<input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Dr.				
First Name:		Last Name:		
Province / Territory of Residency:				
Residential Address:		City		Province
Home Phone #		Business Phone #		Cell #
Employment Status				
<input type="checkbox"/> Employed <input type="checkbox"/> Self Employed <input type="checkbox"/> Student <input type="checkbox"/> Homemaker <input type="checkbox"/> Unemployed <input type="checkbox"/> Retired (Please indicate previous employment information)				
Occupation		Employer's Name		Employer Address
				Type of Business
Years with Employer				
Spouse's Name <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Dr.		Occupation of Spouse		Spouse's Employer's Name
First Name:                      Last Name:				Years with Employer
INVESTOR PROFILE – Please check all applicable boxes				
<b>Financial assets</b> (cash + insurance contracts + securities + deposits that are not a security – liabilities incurred or assumed to finance acquisition of financial assets or liabilities secured by financial assets)				
<input type="checkbox"/> Less than \$1 Million, Individual with or without spouse <input type="checkbox"/> Between \$1 Million and \$5 Million, Individual with or without spouse <input type="checkbox"/> More than \$5 Million, Individual only				
<b>Net Assets</b> (net financial assets + fixed and long term assets – liabilities incurred or assumed to finance acquisition of fixed or long term assets or liabilities secured by fixed or long term assets)				
<input type="checkbox"/> Less than \$5 Million, Individual with or without spouse <input type="checkbox"/> More than \$5 Million, Individual with or without spouse				
<b>Net Income</b> (Net Income before taxes in each of the 2 most recent calendar years, and expected Net Income before taxes from the current calendar year)				
<b>2015</b>		<b>2016</b>		<b>Expected 2017</b>
<input type="checkbox"/> Less than \$200,000 individual only		<input type="checkbox"/> Less than \$200,000 individual only		<input type="checkbox"/> Less than \$200,000 individual only
<input type="checkbox"/> More than \$200,000 individual only		<input type="checkbox"/> More than \$200,000 individual only		<input type="checkbox"/> More than \$200,000 individual only
<input type="checkbox"/> Less than \$300,000 combined individual and spouse		<input type="checkbox"/> Less than \$300,000 combined individual and spouse		<input type="checkbox"/> Less than \$300,000 combined individual and spouse
<input type="checkbox"/> More than \$300,000 combined individual and spouse		<input type="checkbox"/> More than \$300,000 combined individual and spouse		<input type="checkbox"/> More than \$300,000 combined individual and spouse
The above information is true and complete.			DATE	
<b>X</b>  _____ <b>INVESTOR SIGNATURE</b>				

- 
1. We are obliged to verify the identity of our investors in accordance with applicable securities legislation and appreciate your understanding and cooperation in meeting this requirement.
  2. All investor information is considered confidential and is protected by the *Personal Information Protection and Electronic Documents Act* (PIPEDA). We will not disclose any such information except in response to a legally enforceable demand or to bona fide regulatory authorities with jurisdiction over Permex Petroleum Limited Partnership or Permex Petroleum Operating Ltd.
-

## EXHIBIT M

### UNDERLYING FAMILY, FRIENDS AND BUSINESS ASSOCIATES STATUS CERTIFICATE

The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.

All money references are in Canadian Dollars.

The undersigned is \_\_\_\_\_ [fill in or circle one of the following: a shareholder, a beneficiary of a trust or a trustee or an executor of an estate] of the Subscriber and is (and at the Closing will be) **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	(a)	and is a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership
	(b)	and is a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership
	(c)	and is a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership
	(d)	and is a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership
	(e)	and is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership
	(f)	and is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership
	(g)	<p>and is a <b>close personal friend</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p> <p><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</b></p>
	(h)	<p>and is a <b>close personal friend</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p>

		<p>_____ ]</p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(i)	<p>and is a <b>close business associate</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p>_____ ]</p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(j)	<p>and is a <b>close business associate</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p>_____ ]</p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(k)	<p>and is a <b>founder</b> of the Limited Partnership or a <b>spouse</b>, parent, grandparent, brother, sister, child, grandchild, <b>close personal friend</b> or <b>close business associate</b> of _____, a <b>founder</b> of the Limited Partnership</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p>_____ ]</p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and the relationship described above is a close personal friendship or a close business association with a founder of the Limited Partnership, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(l)	<p>and is a parent, grandparent, brother, sister, child or grandchild of a <b>spouse</b> of _____, a <b>founder</b> of the Limited Partnership</p>

	(m)	<p>and is a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>persons</b> described in paragraphs (a) to (l), above</p> <p><i>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute a copy of this Underlying Family, Friends and Business Associates Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Family, Friends and Business Associates Status Certificate.]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (a) to (l) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(n)	<p>and is a <b>person</b> of which a majority of the <b>directors</b> are persons described in paragraphs (a) to (l), above</p> <p><i>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of the directors complete, date and execute a copy of this Underlying Family, Friends and Business Associates Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Family, Friends and Business Associates Status Certificate.]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (a) to (l) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(o)	<p>and is a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (a) to (l), above</p> <p><i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries or a majority of the trustees or executors complete, date and execute a copy of this Underlying Family, Friends and Business Associates Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Family, Friends and Business Associates Status Certificate.]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (a) to (l) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>

IN WITNESS WHEREOF, the undersigned has executed this Underlying Family, Friends and Business Associates Status Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.



---

Signature of individual (if Subscriber **is** an individual)

---

Authorized signatory (if Subscriber **is not** an individual)

---

Name of Subscriber (**please print**)

---

Name of authorized signatory (**please print**)

---

Official capacity of authorized signatory (**please print**)

For the purposes hereof, the following definitions are included for convenience:

**"close business associate"** is an individual who has had sufficient prior business dealings with a director, executive officer, founder or control person of the issuer to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close business associate solely because the individual is (a) a member of the same club, organization, association or religious group, (b) a co-worker, colleague or associate at the same workplace, (c) a client, customer, former client or former customer, (d) a mere acquaintance, or (e) connected through some form of social media, such as Facebook, Twitter or LinkedIn.

**"close personal friend"** of a director, executive officer, founder or control person of an issuer is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close personal friend solely because the individual is (a) a relative, (b) a member of the same club, organization, association or religious group, (c) a co-worker, colleague or associate at the same workplace, (d) a client, customer, former client or former customer, (e) a mere acquaintance, or (f) connected through some form of social media, such as Facebook, Twitter or LinkedIn;

**"control"** - a person (first person) is considered to control another person (second person) if

- (i) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
- (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
- (iii) the second person is a limited partnership and the general partner of the limited partnership is the first person.

**"control person"** means

- (i) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or
- (ii) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer,

and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

**"director"** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**"executive officer"** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer.

**"founder"** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer.

**"person"** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

**"spouse"** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

EXHIBIT N

SASKATCHEWAN RISK ACKNOWLEDGEMENT FORM

Form 45-106F5

**Risk Acknowledgement  
Saskatchewan Close Personal Friends and Close Business Associates**

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.
- I do not have a 2-day right to cancel my purchase of these securities or the statutory rights of action for misrepresentation I would have if I were purchasing the securities under a prospectus. I do have a 2-day right to cancel my purchase of these securities if I receive an amended offering document.

I am investing \$\_\_\_\_\_ [total consideration] in total; this includes any amount I am obliged to pay in future.

I am a **close** personal friend or **close** business associate of \_\_\_\_\_  
[state name], who is a \_\_\_\_\_ [state title - founder, director, executive officer  
or control person] of \_\_\_\_\_  
\_\_\_\_\_ [state name of issuer or its affiliate – if an affiliate state “an affiliate  
of the issuer” and give the issuer’s name].

I acknowledge that I am purchasing based on my close relationship with \_\_\_\_\_  
\_\_\_\_\_ [state name of founder, director, executive officer or control  
person] whom I know well enough and for a sufficient period of time to be able to assess  
her/his capabilities and trustworthiness.

**I acknowledge that this is a risky investment and that I could lose all the money I invest.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

**WARNING**

**You are buying Exempt Market Securities**

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. Exempt market securities are more risky than other securities.

**You may not receive any written information about the issuer or its business**

If you have any questions about the issuer or its business, ask for written clarification before you purchase the securities. You should consult your own professional advisers before investing in the securities.

**The issuer of your securities is a non-reporting issuer** A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer. You can only sell the securities of a non-reporting issuer in very limited circumstances. You may never be able to sell these securities.

**The securities you are buying are not listed**

The securities you are buying are not listed on any stock exchange, and they may never be listed. There may be no market for these securities. You may never be able to sell these securities.

For more information on the exempt market, refer to the Saskatchewan Financial Services Commission's website at <http://www.sfsc.gov.sk.ca>.

*[Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.]*

**EXHIBIT O**

**NORTHWEST EXEMPTION RISK ACKNOWLEDGEMENT FORM**

**TO BE EXECUTED WHERE THE PARTY SELLING THE UNITS IS  
NOT REGISTERED UNDER NATIONAL INSTRUMENT 31-103**

If the Units are being sold by a party pursuant to the terms and conditions of the British Columbia Securities Commission Instrument 32-513, Manitoba Securities Commission Blanket Order 31-505 or Saskatchewan Financial Services Commission General Order 45-918, then two copies of this EXHIBIT O must be duly completed, dated and executed. Retain one copy for your records and deliver the other copy to the Limited Partnership.

<b>Risk Acknowledgement Registration Exemption for Trades in Connection with Certain Prospectus Exempt Distributions</b>		<b>W A R N I N G</b>
Name of Issuer: <u>PERMEX PETROLEUM LIMITED PARTNERSHIP</u>		
Name of Seller: _____		
<b>I acknowledge that:</b>		
1. the person selling me these securities is not registered with a securities regulatory authority and is prohibited from telling me that this investment is suitable for me;		
2. the person selling me these securities does not act for me;		
3. this is a risky investment and I could lose all my money; and		
4. I am investing entirely at my own risk.		
_____ Date	_____ Signature of Purchaser	
	_____ Print name of Purchaser	
_____ Name of salesperson acting on behalf of seller		
<b>Sign 2 copies of this document. Keep one copy for your records.</b>		

National Instrument 45-106 *Prospectus Exemptions* may require you to sign an additional risk acknowledgement form. If you want advice about the merits of this investment and whether these securities are a suitable investment for you, contact a registered adviser or dealer.

PERMEX PETROLEUM LIMITED PARTNERSHIP

SUBSCRIPTION DOCUMENTS

Accredited Investors  
(including Offshore (non-Canadian & non-US) Investors)



**PERMEX PETROLEUM LIMITED PARTNERSHIP**

**SUBSCRIPTION AGREEMENT AND POWER OF ATTORNEY**

**THE SECURITIES TO WHICH THIS SUBSCRIPTION AGREEMENT RELATES ARE SUBJECT TO A HOLD PERIOD IN ALL OF THE PROVINCES OF CANADA AND MAY NOT BE TRADED IN ANY OF THE PROVINCES OF CANADA EXCEPT AS PERMITTED BY APPLICABLE SECURITIES LEGISLATION.**

TO: Permex Petroleum Limited Partnership (the “**Limited Partnership**”)  
AND TO: Permex Petroleum Operating Ltd. (the “**General Partner**”)

The undersigned (the “**Subscriber**”) hereby irrevocably subscribes for and agrees to purchase that number of units (the “**Units**”) in the Limited Partnership shown in section (b) of the **Basic Terms** below, having an acquisition cost of \$1,000 per Unit (subject to a minimum subscription amount of \$10,000 or ten Units), for the Purchase Price shown in section (c) of the Basic Terms, which is tendered herewith, on the basis of the representations and warranties and subject to the terms and conditions set forth herein, including those set out in EXHIBIT A through EXHIBIT H attached hereto, as applicable (collectively, this “**Subscription Agreement**”).

**Basic Terms**

The following information is applicable to this Subscription Agreement:

(a) Subscriber:	
(i) Name:	
(ii) Official Title or Capacity ( <i>if signing on behalf of a Corporation</i> ):	
(iii) Address:	
(iv) Phone No.:	
(v) Social Insurance Number:	
(vi) E-mail address:	
(b) No. of Units ( <i>Minimum 10 Units</i> ):	
(c) Purchase Price: ( <i>No. of Units x \$1,000</i> ):	

- (d) The Subscriber acknowledges, represents and warrants as of the date of this Subscription Agreement that the Subscriber is purchasing Units as an “accredited investor” (as such term is defined by NI 45-106 or the Securities Act (Ontario), as applicable), and the Subscriber **[check the appropriate box]**:

- (i) **is a corporate entity or other legal entity that is not an individual, which has checked the box beside Item d, d.1, m, n, p, q, s, u or v on the Accredited Investor Status Certificate attached as EXHIBIT C, and has** ☐

A. duly completed, dated, executed and delivered the **Accredited Investor Representation Letter** attached as

EXHIBIT B,

- B. duly completed, dated, executed and delivered the **Accredited Investor Status Certificate** attached as EXHIBIT C, and
- C. delivered the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the Accredited Investor Status Certificate, as applicable; or

(ii) **is an individual investor who has checked the box beside Item j, k or l** on the Accredited Investor Status Certificate attached as EXHIBIT C, and has duly completed, dated, executed and delivered ☐

- A. the **Accredited Investor Representation Letter** attached as EXHIBIT B,
- B. the **Accredited Investor Status Certificate** attached as EXHIBIT C,
- C. the **Accredited Investor Profile** attached as EXHIBIT D, and
- D. the **Form 45-106F9 – Individual Accredited Investor Risk Acknowledgement Form** attached as EXHIBIT E; or

(iii) **is an individual investor who has checked the box beside Item j.1** on the Accredited Investor Status Certificate attached as EXHIBIT C, and has duly completed, dated, executed and delivered ☐

- A. the **Accredited Investor Representation Letter** attached as EXHIBIT B,
- B. the **Accredited Investor Status Certificate** attached as EXHIBIT C, and
- C. the **Accredited Investor Profile** attached as EXHIBIT D; or

(iv) **is an individual investor who has checked the box beside Item d, d.1, e, e.1, q or v** on the Accredited Investor Status Certificate attached as EXHIBIT C, and has ☐

- A. duly completed, dated, executed and delivered the **Accredited Investor Representation Letter** attached as EXHIBIT B,
- B. duly completed, dated, executed and delivered the **Accredited Investor Status Certificate** attached as EXHIBIT C, and
- C. provided the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the Accredited Investor Status Certificate, as applicable; or

(v) **is an investor who has checked the box beside Item a, a.1, b, c, f, g, h, i or o** on the Accredited Investor Status Certificate attached as EXHIBIT C and has duly completed, dated, executed and delivered ☐

- A. the **Accredited Investor Representation Letter** attached as EXHIBIT B, and
- B. the **Accredited Investor Status Certificate** attached as EXHIBIT C; or



- (vi) **is an investor who has checked the box beside Item t or w** on the Accredited Investor Status Certificate attached as EXHIBIT C, has ☐ delivered
- A. a duly completed, dated and executed **Accredited Investor Representation Letter** attached as EXHIBIT B,
  - B. a duly completed, dated and executed **Accredited Investor Status Certificate** attached as EXHIBIT C,
  - C. the applicable **Accredited Investor Profile(s)** attached as EXHIBIT D, duly completed, dated and executed by the applicable persons,
  - D. the applicable **Underlying Accredited Investor Status Certificates** attached as EXHIBIT F, duly completed, dated and executed by the applicable persons, and
  - E. the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents.
- (e) **Northwest Exemption:** if the Subscriber is resident in British Columbia, Alberta, Manitoba or Saskatchewan, two (2) copies of the **Northwest Exemption Risk Acknowledgement Form** attached as EXHIBIT G have been completed, dated and executed by the Subscriber if the Units are sold to the Subscriber by a party pursuant to the terms and conditions of applicable instruments published by the Canadian Securities Administrators in such province(s) exempting such person from registration in such province(s).
- (f) **International Subscribers:** if the subscriber is resident in, or otherwise subject to the Legislation of an International Jurisdiction, the subscriber has duly completed, dated, executed and delivered the **International Jurisdiction Certificate** attached as EXHIBIT H.

**[THIS SPACE INTENTIONALLY LEFT BLANK.]**

**Insider Status**

The Subscriber either **[check appropriate box]**:

☐ is an “Insider” of the Limited Partnership as defined in the Securities Act (British Columbia); or  
☐ is not an Insider of the Limited Partnership.

**Registrant Status**

The Subscriber either **[check appropriate box]**:

☐ is a “Registrant”, namely, a person registered, or required to be registered, under the *Securities Act* (British Columbia); or  
☐ is not a Registrant.

**Additional Terms and Conditions**

The terms and conditions of EXHIBIT A through EXHIBIT H attached, as applicable, shall apply to the Subscriber’s subscription for the Units and are incorporated into this Subscription Agreement.

**The following table sets out the various Exhibits hereto:**

Reference	Title	Page
EXHIBIT A	Terms and Conditions of Subscription for Units	<b>7</b>
EXHIBIT B	Accredited Investor Representation Letter	<b>19</b>
EXHIBIT C	Accredited Investor Status Certificate	<b>20</b>
EXHIBIT D	Accredited Investor Profile	<b>27</b>
EXHIBIT E	Form 45-106F9 – Individual Accredited Investor Risk Acknowledgement Form	<b>29</b>
EXHIBIT F	Underlying Accredited Investor Status Certificate	<b>31</b>
EXHIBIT G	Northwest Exemption Risk Acknowledgement	<b>38</b>
EXHIBIT H	International Jurisdiction Certificate	<b>39</b>

*[signature pages follow]*

**IN WITNESS WHEREOF** the Subscriber has duly executed this Subscription Agreement on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
(Signature of the Subscriber and, if the  
Subscriber is a Corporation, an Officer)

**ACCEPTANCE**

This Subscription Agreement in respect of the Units is hereby accepted by Permex Petroleum Limited Partnership.

DATED at \_\_\_\_\_, the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

**Permex Petroleum Limited Partnership**  
By its General Partner  
**Permex Petroleum Operating Ltd.**

Per: \_\_\_\_\_  
Authorized Signatory

## EXHIBIT A

### TERMS AND CONDITIONS OF SUBSCRIPTION FOR UNITS

#### 1. **Subscription**

- 1.1 The Subscriber hereby irrevocably subscribes for and agrees to purchase that number of Units shown in section (b) of the Basic Terms having an acquisition cost of \$1,000 per Unit, for the Purchase Price shown in section (c) of the Basic Terms, which is tendered herewith, on the basis of the representations and warranties and subject to the terms and conditions set forth in this Subscription Agreement (the “**Subscription**”).
- 1.2 Subject to the terms hereof, the Subscription will be effective upon its acceptance by the General Partner on behalf of the Limited Partnership. Upon acceptance by the General Partner on behalf of the Limited Partnership, this Subscription constitutes an agreement by the Subscriber to become a limited partner of the Limited Partnership on the terms and subject to the terms and conditions set out in this Subscription Agreement.
- 1.3 At the sole discretion of the General Partner, the Units purchased hereunder may be represented electronically in the non-certificated inventory (“**NCI**”) system. In the event the Units purchased hereunder are represented at Closing electronically in the NCI system, registration of interests in such Units may be made only through a book-based system, and if so made, the ability of the Subscriber to pledge such Units or otherwise take action with respect to the Subscriber’s interest in such Units may be limited due to the lack of a physical certificate.

#### 2. **Payment for Units**

- 2.1 The Purchase Price shall be paid upon the execution and delivery of the Subscription Agreement to the General Partner by certified cheque or bank draft made payable to “Permex Petroleum Limited Partnership”.

#### 3. **Closing**

- 3.1 The General Partner will confirm whether or not the Subscription Agreement is acceptable, whereupon the General Partner will deliver to the Subscriber a signed copy of this Agreement (the “**Closing**”).
- 3.2 The Subscriber acknowledges that the Units purchased hereunder may be represented at Closing electronically in the NCI system. In the event the Units purchased hereunder are represented at Closing electronically in the NCI system, the Subscriber will not receive definitive certificates representing the Units.
- 3.3 The Closing will take place on such date or dates to be determined by the General Partner, provided however that the Purchase Price paid by the Subscriber will be held in trust pending the Closing.

#### 4. **Securities Act Exemption Matters**

- 4.1 The Subscriber acknowledges and agrees that:
  - (a) it is acquiring the Units pursuant to an exemption (the “**Exemption**”) from the prospectus requirements of the applicable securities laws and regulations (collectively, the “**Legislation**”) in all jurisdictions relevant to this Subscription, and, as a consequence, the Subscriber will not be entitled to use most of the civil remedies available under the

Legislation and the Subscriber will not receive information that would otherwise be required to be provided to the Subscriber pursuant to the Legislation;

(b) the Exemption is premised on the basis that:

(i) **if the Subscriber has checked the box (i) of Item (d) of the Basic Terms**, the Subscriber does not require the protection of the Legislation by virtue of the Subscriber's status as an "accredited investor", as defined in NI 45-106 and acknowledges and agrees that the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 5 of this Subscription Agreement**,

- A. a duly completed, dated and executed **Accredited Investor Representation Letter** attached as EXHIBIT B,
- B. a duly completed, dated, executed and delivered the **Accredited Investor Status Certificate** attached as EXHIBIT C,
- C. the additional information required under applicable securities legislation, as set out under "**Instructions**" in the applicable Item(s) in the **Accredited Investor Status Certificate**, and
- D. such other supporting documentation that the General Partner or its legal counsel may request to establish the Subscriber's qualification as an accredited investor;

(ii) **if the Subscriber has checked the box (ii) of Item (d) of the Basic Terms**, the Subscriber does not require the protection of the Legislation by virtue of the Subscriber's status as an "accredited investor", as defined in NI 45-106 and acknowledges and agrees that the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 5 of this Subscription Agreement**,

- A. a duly completed, dated and executed **Accredited Investor Representation Letter** attached as EXHIBIT B,
- B. a duly completed, dated, executed and delivered the **Accredited Investor Status Certificate** attached as EXHIBIT C,
- C. the applicable **Accredited Investor Profile(s)** attached as EXHIBIT D, duly completed, dated and executed by the applicable persons,
- D. the applicable **Underlying Accredited Investor Status Certificates** attached as EXHIBIT F, duly completed, dated and executed by the applicable persons,
- E. the additional information required under applicable securities legislation, as set out under "**Instructions**" in the applicable Item(s) in the **Accredited Investor Status Certificate** and the **Underlying Accredited Investor Status Certificates**, and
- F. such other supporting documentation that the General Partner or its legal counsel may request to establish the Subscriber's qualification as an accredited investor;

- (iii) **if the Subscriber has checked box (iii) of Item (d) of the Basic Terms**, the Subscriber does not require the protection of the Legislation by virtue of the Subscriber's status as an "accredited investor", as defined in NI 45-106 and acknowledges and agrees that the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 5 of this Subscription Agreement**,
- A. a duly completed, dated and executed **Accredited Investor Representation Letter** attached as EXHIBIT B,
  - B. a duly completed, dated, executed and delivered the **Accredited Investor Status Certificate** attached as EXHIBIT C,
  - C. a duly completed, dated and executed **Accredited Investor Profile** attached as EXHIBIT D,
  - D. a duly completed, dated and executed **Form 45-106F9 – Individual Accredited Investor Risk Acknowledgement Form**, attached as EXHIBIT E, and
  - E. such other supporting documentation that the General Partner or its legal counsel may request to establish the Subscriber's qualification as an accredited investor;
- (iv) **if the Subscriber has checked box (iv) of Item (d) of the Basic Terms**, the Subscriber does not require the protection of the Legislation by virtue of the Subscriber's status as an "accredited investor", as defined in NI 45-106 and acknowledges and agrees that the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 5 of this Subscription Agreement**,
- A. a duly completed, dated and executed **Accredited Investor Representation Letter** attached as EXHIBIT B,
  - B. a duly completed, dated, executed and delivered the **Accredited Investor Status Certificate** attached as EXHIBIT C,
  - C. a duly completed, dated and executed **Accredited Investor Profile** attached as EXHIBIT D, and
  - D. such other supporting documentation that the General Partner or its legal counsel may request to establish the Subscriber's qualification as an accredited investor;
- (v) **if the Subscriber has checked box (v) of Item (d) of the Basic Terms**, the Subscriber does not require the protection of the Legislation by virtue of the Subscriber's status as an "accredited investor", as defined in NI 45-106 and acknowledges and agrees that the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 5 of this Subscription Agreement**,

- A. a duly completed, dated and executed **Accredited Investor Representation Letter** attached as EXHIBIT B,
- B. a duly completed, dated, executed and delivered the **Accredited Investor Status Certificate** attached as EXHIBIT C,
- C. the additional information required under applicable securities legislation, as set out under “**Instructions**” in the applicable Item(s) in the **Accredited Investor Status Certificate**, and
- D. such other supporting documentation that the General Partner or its legal counsel may request to establish the Subscriber’s qualification as an accredited investor;

(vi) **if the Subscriber has checked box (vi) of Item (d) of the Basic Terms**, the Subscriber does not require the protection of the Legislation by virtue of the Subscriber’s status as an “accredited investor”, as defined in NI 45-106 and acknowledges and agrees that the General Partner shall not consider the Subscriber’s subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 5 of this Subscription Agreement**,

- A. a duly completed, dated and executed **Accredited Investor Representation Letter** attached as EXHIBIT B,
- B. a duly completed, dated, executed and delivered the **Accredited Investor Status Certificate** attached as EXHIBIT C, and
- C. such other supporting documentation that the General Partner or its legal counsel may request to establish the Subscriber’s qualification as an accredited investor;

(vii) **if the Subscriber is resident in British Columbia, Alberta, Manitoba or Saskatchewan, and is purchasing Units from a party pursuant to the terms and conditions of applicable instruments published by the Canadian Securities Administrators in such province(s) exempting such person from registration in such province(s)**, the General Partner shall not consider the Subscriber’s subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 5 of this Subscription Agreement**,

- A. a duly completed, dated and executed copy of the **Northwest Exemption Risk Acknowledgement Form** attached as EXHIBIT G, and
- B. such other documentation as may be required pursuant to subsections 4.1(b)(i) to (vi), above; and

(viii) **if the subscriber is resident in, or otherwise subject to the Legislation of an International Jurisdiction**, the General Partner shall not consider the Subscriber’s subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 5 of this Subscription Agreement**, a duly completed, dated and executed copy of the **International Jurisdiction Certificate** attached as EXHIBIT H.



## 5. Acknowledgements of Subscriber

5.1 The Subscriber acknowledges and agrees that:

- (a) there is no market for the Units and no market for the Units may ever exist;
- (b) the Subscriber is aware that an investment in the Units is speculative and involves certain risks, including the possible loss of the Subscriber's entire investment;
- (c) the Subscriber understands and agrees that the General Partner and others will rely upon the truth and accuracy of the acknowledgements, representations and agreements contained in this Subscription Agreement and any other documentation or information provided to the General Partner in connection with the Subscription, and agrees that if any of such acknowledgements, representations and agreements are no longer accurate or have been breached, the Subscriber shall promptly notify the General Partner;
- (d) any transfer, resale or other subsequent disposition of the Units will be subject to restrictions set out in the Limited Partnership Agreement in respect of the Limited Partnership (the "**Partnership Agreement**") and may be subject to restrictions contained in the Legislation applicable to the holder of the Units or to the proposed transferee, including, but not limited to, resale restrictions under the *Securities Act* (British Columbia) or similar legislation in the other Provinces or Territories of Canada, as applicable;
- (e) the Limited Partnership is not a reporting issuer in any Province or Territory of Canada and, accordingly, any applicable hold periods under the Legislation may never expire, and the Units may be subject to restrictions on resale for an indefinite period of time;
- (f) the Units have not been registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or the securities laws of any state of the United States, that the Units may not be offered or sold, directly or indirectly, in the United States except pursuant to registration under the 1933 Act and the securities laws of all applicable states or available exemptions therefrom, that the Limited Partnership has no obligation or present intention of filing a registration statement under the 1933 Act in respect of any of the Units, and that:
  - (i) the offer to purchase the Subscriber's Units was not made to the Subscriber in the United States;
  - (ii) this Agreement was delivered to, executed and delivered by the Subscriber outside the United States;
  - (iii) the Subscriber is not, and will not be purchasing the Subscriber's Units for the account or benefit of, any U.S. Person (as defined in the 1933 Act) or person in the United States;
  - (iv) the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the 1933 Act;
  - (v) the Subscriber and any person for whose account it is acquiring the Subscriber's Units, if applicable, has no intention to distribute either directly or indirectly any of the Securities in the United States, except in compliance with the 1933 Act;
  - (vi) if the Subscriber is a corporation, partnership or other legal entity incorporated or organized in the United States, the Subscriber's affairs are controlled and directed from outside of the United States, its purchase of the Securities was not

solicited in the United States, no part of the transaction which is the subject of this Subscription Agreement occurred in the United States, and the Limited Partnership and the General Partner have informed the Subscriber that no market for the Securities currently exists in the United States;

- (g) no person has made to the Subscriber any written or oral representations:
  - (i) that any person will resell or repurchase the Units, other than the limited redemption right referred to in Article 6 of the Partnership Agreement;
  - (ii) that any person will refund the Purchase Price for the Units other than as provided in this Subscription;
  - (iii) as to the future price or value of the Units; or
  - (iv) that the Units will be listed and posted for trading on a stock exchange or that application has been made to list and post the Units for trading on a stock exchange;
- (g) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Units;
- (h) by execution hereof the Subscriber has waived the need for the General Partner to communicate its acceptance of the purchase of the Units pursuant to this Subscription Agreement;
- (i) the Subscriber has been advised to consult its own legal, tax and other advisors with respect to the merits and risks of an investment in the Units and with respect to applicable resale restrictions and it is solely responsible (and the General Partner is in no way responsible) for compliance with applicable resale restrictions;
- (j) the Subscriber shall duly complete, date, execute and return to the General Partner as soon as possible, on request by the General Partner, any documents, questionnaires, notices and undertakings as may be required by the General Partner, regulatory authorities, stock exchanges and applicable law.
- (k) there is no government or other insurance covering any of the Units; and
- (l) this Subscription Agreement is not enforceable by the Subscriber unless it has been accepted by the General Partner for and on behalf of the Limited Partnership, and the Subscriber acknowledges and agrees that the General Partner reserves the right to reject any Subscription for any reason.

## **6. Representations, Warranties and Covenants of the Subscriber**

6.1 The Subscriber hereby represents and warrants to and covenants with the General Partner and the Limited Partnership (which representations, warranties and covenants will be true and correct as at the date set forth above and at Closing, and shall survive the Closing) that:

- (a) the Subscriber is acquiring the Units as a principal (and not as an agent) for investment purposes only, with no intention or view to reselling or distributing any portion or beneficial interest in the Units, and the Subscriber will be the beneficial owner of any Units to be issued to the Subscriber if, as and when this Subscription is accepted by the General Partner in whole or in part;

- (b) the Subscriber is resident in the jurisdiction identified in the address of the Subscriber set forth on page 1 of this Subscription Agreement;
- (c) the Subscriber has the legal capacity and competence to enter into and execute this Subscription Agreement and to take all actions required pursuant hereto and, if the Subscriber is a corporation, it is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation and all necessary approvals by its directors, shareholders and others have been obtained to authorize execution and performance of this Subscription Agreement on behalf of the Subscriber;
- (d) the entering into of this Subscription Agreement and the transactions contemplated hereby do not result in the violation of any of the terms and provisions of any law applicable to, or, if applicable, the constating documents of, the Subscriber, or of any agreement, written or oral, to which the Subscriber may be a party or by which the Subscriber is or may be bound;
- (e) the Subscriber has duly completed, dated, executed and delivered this Subscription Agreement and it constitutes a valid and binding agreement of the Subscriber enforceable against the Subscriber;
- (f) the Subscriber has not received or been provided with, nor has it requested, nor does it have any need to receive, any offering memorandum, or any other document (other than the annual financial statements, interim financial statements or any other document (excluding offering memoranda, prospectuses or other offering documents) the content of which is prescribed by statute or regulation) describing the business and affairs of the Limited Partnership, which has been prepared for delivery to and review by prospective purchasers in order to assist them in making an investment decision in respect of the purchase of Units;
- (g) the Subscriber's decision to tender this offer and purchase the Subscriber's Units has not been made as a result of any verbal or written representation as to fact or otherwise made by or on behalf of the Limited Partnership, or any other person and is based entirely upon information contained herein;
- (h) the Subscriber has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the transactions detailed in the Subscription Agreement and the Subscriber is able to bear the economic risk of loss arising from such transactions;
- (i) the Subscriber is not:
  - (i) a person an interest in which is a "tax shelter investment" for the purposes of Section 143.2 of the *Income Tax Act* (Canada); or
  - (ii) a "financial institution" as that term is defined in subsection 142.2(1) of the *Income Tax Act* (Canada) (and agrees to immediately advise the General Partner if it becomes a "financial institution" at any time hereafter);
- (j) if financing the acquisition of Units by way of indebtedness, in whole or in part, the Subscriber has ensured and will ensure that all of the following terms are met with respect to such indebtedness:
  - (i) recourse for such indebtedness is not limited in any way, either immediately or in the future or absolutely or contingently;

- (ii) *bona fide* written arrangements were made, at the time the indebtedness arose, for full repayment with interest within a reasonable period not exceeding 10 years;
  - (iii) interest is payable on such indebtedness at least annually at a rate at least equal to the rate prescribed (or to be prescribed) for purposes of Section 143.2 of the *Income Tax Act* (Canada) as of the time the indebtedness arose;
  - (iv) such interest will be paid no later than 60 days after the end of each taxation year of the debtor;
  - (v) there is not, and is not to be, a series of loans and repayments in relation to the indebtedness; and
  - (vi) all information with respect to the indebtedness is available in Canada;
- (k) the Subscriber has not purchased the Units as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other communication published in any newspaper, magazine or similar media or broadcast over radio, television or internet or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (l) the Subscriber agrees that the Limited Partnership and the General Partner may be required by law or otherwise to disclose to regulatory authorities the identity of the Subscriber; and
- (m) the funds representing the aggregate Purchase Price for the Subscriber's Units which will be advanced by the Subscriber hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the Subscriber acknowledges that the Limited Partnership may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to such Act. To the best of its knowledge: (a) none of the subscription funds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under any law of Canada, the United States of America (or any state thereof), or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and (b) the Subscriber shall promptly notify the Limited Partnership if the Subscriber discovers that any of such representations ceases to be true, and to provide the Limited Partnership with appropriate information in connection therewith.

- 6.2 The Subscriber acknowledges that the representations, warranties, covenants and acknowledges contained herein are made by the Subscriber with the intention that they may be relied upon by the General Partner, the Limited Partnership and its legal counsel in determining the Subscriber's eligibility to acquire the Units under relevant Legislation. The Subscriber further agrees that by accepting delivery of the Units, the Subscriber will be representing and warranting that the foregoing representations and warranties are true and correct as at the time of delivery of such Units with the same force and effect as if they had been made by the Subscriber at such time, and that they shall survive the completion of the transactions contemplated under this Subscription and remain in full force and effect thereafter for the benefit of the General Partner for a period of two years.
- 6.3 The Subscriber hereby agrees to indemnify and hold harmless the General Partner and Limited Partnership and their respective directors, officers, employees, agents, advisors and security holders from and against any and all loss, liability, claim, damage and expense whatsoever arising out of or based upon any representation or warranty of the Subscriber contained in this Subscription Agreement, any questionnaire or in any other document furnished by the Subscriber

to the General Partner in connection herewith, being untrue in any material respect or any breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber to the General Partner in connection therewith;

**7. Power of Attorney and Agreement to be Bound**

7.1 In consideration of the General Partner, on behalf of the Limited Partnership, accepting the Subscription of the Subscriber and conditional thereon, the Subscriber:

- (a) agrees to be bound, as a party to and as a limited partner in the Limited Partnership, by the terms of the Partnership Agreement, and the undersigned expressly ratifies and confirms the power of attorney given to the Limited Partnership therein; and
- (b) irrevocably nominates, constitutes and appoints the General Partner and any successor to the General Partner under the terms of the Partnership Agreement, as the Subscriber's true and lawful attorney and agent, with full power of substitution and authority in the Subscriber's name, place and stead and for the Subscriber's use and benefit to do the following:
  - (i) execute, swear to, acknowledge, complete, deliver and file as and where the General Partner considers it appropriate any and all of the following:
    - A. the Partnership Agreement and all declarations and certificates of change required under the *Partnership Act* (British Columbia) and other instruments necessary to form, qualify or continue and keep in good standing the Limited Partnership as a limited partnership;
    - B. all instruments, declarations and certificates necessary to reflect any amendment to the Partnership Agreement;
    - C. all elections, determinations or designations made pursuant to the *Income Tax Act* (Canada) or any other taxation or other legislation or laws of like import of Canada or any provinces or jurisdictions in respect of the affairs of the Limited Partnership or of a partner's interest in the Limited Partnership; and
    - D. all conveyances, agreements and other instruments necessary or desirable to reflect the dissolution and termination of the Limited Partnership including cancellation of any certificates or declarations and the execution of any elections under the *Income Tax Act* (Canada) and any analogous provincial legislation, as any of the same may be amended or re-enacted from time to time;
  - (ii) execute and file with any governmental body or instrumentality thereof of the Government of Canada or a province thereof or the Government of the United States or any state thereof, any documents necessary to be filed in connection with the business, property, assets and undertaking of the Limited Partnership;
  - (iii) execute and deliver all such other documents or instruments on behalf of and in the name of the Limited Partnership and for or on behalf of the Subscriber as may be deemed necessary or desirable by the Limited Partnership to carry out fully the provisions of this Subscription Agreement, the Partnership Agreement or any other material contract required in connection herewith; and

- (iv) to complete, amend or modify any of the foregoing or this Subscription Agreement and to complete any missing information or correct any clerical or other errors in the completion of this Subscription Agreement or any of the foregoing.

- 7.2 The power of attorney granted herein is irrevocable, is a power coupled with an interest, shall survive the death, disability or other legal incapacity of the Subscriber and shall survive the transfer or assignment, to the extent of the obligations of the Subscriber under the Partnership Agreement or hereunder, by the Subscriber of the whole or any part of the interest of the Subscriber in the Limited Partnership and extends to the heirs, executors, administrators, successors and assigns of the Subscriber and may be exercised by the General Partner, on behalf of the Subscriber, by executing any instrument as with a single signature as attorney and agent for all the General Partner's executing such instrument or by such other form of execution as the General Partner may determine, and it shall not be necessary for the General Partner to execute any document or instrument under seal, however the General Partner may, in its discretion, execute documents or instruments under seal.
- 7.3 The Subscriber agrees to be bound by any representations and actions made or taken in good faith by the General Partner pursuant to this power of attorney in accordance with the terms hereof or in accordance with the Partnership Agreement and the Subscriber hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the General Partner taken in good faith under this power of attorney.

## **8. Fees and Commissions**

- 8.1 The Subscriber acknowledges and agrees that a portion of the Purchase Price for the Units will be used to pay the organizational and offering expenses of the Limited Partnership as follows:
- (a) up to 8% of the Purchase Price of the Units will be used to pay fees or commissions to a broker, selling agent, or finder; and
  - (b) 5% of the Purchase Price of the Units will be paid to the General Partner for marketing expenses, professional fees, regulatory compliance fees and other fees and expenses incurred by the General Partner in connection with the organization of the Limited Partnership and the offering.

## **9. Withdrawal of Subscription**

- 9.1 The Subscriber has a two day cancellation right and may cancel this Agreement by sending notice to the Limited Partnership by midnight on the second business day after the Subscriber delivers this Subscription Agreement to the Limited Partnership.

## **10. Use of Personal Information**

- 10.1 The Subscriber hereby acknowledges and consents to: (i) the disclosure by the Limited Partnership of Personal Information concerning the Subscriber to the Commissions or any other regulatory authority (under the authority granted by securities legislation, where applicable), (collectively referred to in this section as the "**Securities Authorities**"); and (ii) the indirect collection, use and disclosure of Personal Information by the Securities Authorities for the following purposes (or as otherwise identified by the Securities Authorities, from time to time):
- (a) to conduct background checks;
  - (b) to verify the Personal Information that has been provided about the Subscriber;

- (c) to consider the suitability of the Subscriber as a holder of securities of the Limited Partnership;
  - (d) to provide disclosure to market participants as to the security holdings of the Limited Partnership's security holders, and their involvement with any other reporting issuers, issuers subject to a cease trade order or bankruptcy, and information respecting penalties, sanctions or personal bankruptcies, and possible conflicts of interest with the Limited Partnership;
  - (e) to detect and prevent fraud;
  - (f) to conduct enforcement proceedings or otherwise administer and enforce securities legislation; and
  - (g) to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Securities Authorities, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.
- 10.2 Herein, "**Personal Information**" means any information about the Subscriber required to be disclosed to a Securities Authority, whether pursuant to a mandated form or a request made by a Securities Authority.
- 11. General**
- 11.1 The Subscriber acknowledges and agrees that all costs and expenses incurred by the Subscriber relating to the purchase of the Units shall be borne by the Subscriber.
- 11.2 This Subscription Agreement is governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Subscriber, in its personal or corporate capacity and, if applicable, on behalf of each beneficial purchaser for whom it is acting, irrevocably attorns to the jurisdiction of the Province of British Columbia.
- 11.3 This Subscription Agreement, including without limitation the representations, warranties and covenants contained herein, shall survive and continue in full force and effect and be binding upon the parties hereto notwithstanding the completion of the purchase of the Units by the Subscriber pursuant hereto.
- 11.4 This Subscription Agreement is not transferable or assignable.
- 11.5 The invalidity or unenforceability of any particular provision of this Subscription Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Subscription Agreement.
- 11.6 Except as expressly provided in this Subscription Agreement and in the agreements, instruments and other documents contemplated or provided for herein, this Subscription Agreement contains the entire agreement between the parties with respect to the sale of the Units and there are no other terms, conditions, representations or warranties, whether expressed, implied, oral or written, by statute or common law, by the General Partner or Limited Partnership or by anyone else.
- 11.7 All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Subscriber shall be directed to the address on page 1 of this Subscription Agreement and

notices to the General Partner shall be directed to Suite 1290, 625 Howe Street, Vancouver, British Columbia, V6C 2T6.

- 11.8 This Subscription Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall constitute an original and all of which together shall constitute one instrument. Delivery of an executed copy of this Agreement by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Agreement as of the date hereinafter set forth.
- 11.9 The Subscriber hereby acknowledges that he or she will deliver to the General Partner all such additional completed forms in respect of the Subscriber's purchase of the Units as may be required for filing with the appropriate securities commissions and regulatory authorities.



## EXHIBIT B

### ACCREDITED INVESTOR REPRESENTATION LETTER

**TO:** Permex Petroleum Limited Partnership (the "Limited Partnership")  
**AND TO:** Permex Petroleum Operating Ltd. (the "General Partner")

In connection with the purchase of Limited Partnership Units (the "**Units**") of the Limited Partnership by the undersigned subscriber (the "**Subscriber**"), the Subscriber hereby represents, warrants, covenants and certifies to the Limited Partnership and the General Partner that:

1. The Subscriber is resident in the jurisdiction as set forth on page 1 of this Subscription Agreement or is subject to the securities laws of such jurisdiction;
2. The Subscriber is purchasing the Units as principal for its own account or is deemed to be purchasing the Units as principal, pursuant to the provisions of National Instrument 45-106 - *Prospectus Exemptions* ("**NI 45-106**");
3. The Subscriber is an "accredited investor" within the meaning of NI 45-106 or the *Securities Act* (Ontario) by virtue of satisfying the indicated criterion as set out in the Accredited Investor Status Certificate attached as EXHIBIT C;
4. Upon execution of this EXHIBIT B by the Subscriber, this EXHIBIT B (together with EXHIBIT C, and all other applicable Exhibits) shall be incorporated into and form a part of the Subscription Agreement; and
5. If any of the foregoing representations and warranties ceases to be correct at any time prior to the Closing, the Subscriber will immediately provide written notice to the Limited Partnership and the General Partner.

The foregoing representations, warranties and covenants are true and accurate as of the date of this Accredited Investor Representation Letter and will be true and accurate as of the Closing.

**IN WITNESS WHEREOF**, the undersigned has executed this Accredited Investor Representation Letter as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

**IMPORTANT: YOU MUST INITIAL THE CATEGORY OR CATEGORIES IN EXHIBIT C, WHICH BEGINS ON THE NEXT PAGE, THAT DESCRIBES HOW YOU QUALIFY AS AN ACCREDITED INVESTOR, AND COMPLY WITH THE INSTRUCTIONS UNDER SUCH CATEGORY OR CATEGORIES, AS APPLICABLE.**

## EXHIBIT C

### ACCREDITED INVESTOR STATUS CERTIFICATE

*The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.*

All money references are in Canadian Dollars.

The Subscriber is (and at the Closing Time will be) an accredited investor within the meaning of National Instrument 45-106 – *Prospectus Exemptions* or the *Securities Act* (Ontario) by virtue of being **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	a.	except in Ontario, a <b>Canadian financial institution</b> , or a <b>Schedule III bank</b> ;
	a.1	in Ontario, a bank listed in Schedule I, II or III of the Bank Act (Canada), as an association to which the Cooperative Credit Associations Act (Canada) applies or a contract cooperative credit society for which an order has been made under subsection 473(1) of the Act, or a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;
	b.	the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);
	c.	a <b>subsidiary</b> of any <b>person</b> referred to in paragraphs (a), (a.1) or (b), if the <b>person</b> owns all of the voting securities of the <b>subsidiary</b> , except the voting securities required by law to be owned by <b>directors</b> of that subsidiary;
	d.	except in Ontario, a <b>person</b> registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;  <b>[Instructions: Please include proof of registration.]</b>
	d.1	in Ontario, a <b>person</b> or company registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;  <b>[Instructions: Please include proof of registration.]</b>
	e.	an <b>individual</b> registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);  <b>[Instructions: Please include proof of registration.]</b>
	e.1	an <b>individual</b> formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as an representative of a limited market dealer under one or both of the Securities Act (Ontario) or the Securities Act (Newfoundland and Labrador);

		<b><i>[Instructions: Please include proof of former registration.]</i></b>
	f.	the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
	g.	a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
	h.	any national, federal, state, provincial, territorial or municipal government of or in any <b>foreign jurisdiction</b> , or any agency of that government;
	i.	a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;
	j.	an <b>individual</b> who, either alone or with a <b>spouse</b> , beneficially owns <b>financial assets</b> having an aggregate realizable value that before taxes, but net of any <b>related liabilities</b> , exceeds \$1,000,000;  <b><i>[Instructions: Please complete, date and execute the Accredited Investor Profile and Form 45-106F9 Individual Accredited Investor Risk Acknowledgement Form, attached as EXHIBIT D and EXHIBIT E, respectively.]</i></b>
	j.1.	an <b>individual</b> who beneficially owns <b>financial assets</b> having an aggregate realizable value that, before taxes but net of any <b>related liabilities</b> , exceeds \$5,000,000;  <b><i>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT D.]</i></b>
	k.	an <b>individual</b> whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a <b>spouse</b> exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;  <b><i>[Instructions: Please complete, date and execute the Accredited Investor Profile and Form 45-106F9 Individual Accredited Investor Risk Acknowledgement Form, attached as EXHIBIT D and EXHIBIT E, respectively.]</i></b>
	l.	an <b>individual</b> who, either alone or with a <b>spouse</b> , has <b>net assets</b> of at least \$5,000,000;  <b><i>[Instructions: Please complete, date and execute the Accredited Investor Profile and Form 45-106F9 Individual Accredited Investor Risk Acknowledgement Form, attached as EXHIBIT D and EXHIBIT E, respectively.]</i></b>
	m.	a <b>person</b> , other than an <b>individual</b> or <b>investment fund</b> , that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements (prepared in accordance with applicable generally accepted accounting principles);  <b>[Note: a person is not eligible under this paragraph m if it was created or is being used solely to purchase or hold securities as an accredited investor in reliance upon this paragraph.]</b>  <b><i>[Instructions: Please include a copy of your most recently prepared financial statements.]</i></b>

n.	<p>an <b>investment fund</b> that distributes or has distributed its securities only to</p> <p>(i) a <b>person</b> that is or was an accredited investor at the time of the distribution,</p> <p>(ii) a <b>person</b> that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment], or 2.19 [Additional investment in investment funds] of the <b>instrument</b> or their equivalents under securities legislation of an applicable jurisdiction as specified in sections 8.1 and 8.2 of the <b>instrument</b>, or</p> <p>(iii) a <b>person</b> described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [Investment fund reinvestment] of the <b>instrument</b>;</p> <p><b><i>[Instructions: Please provide a list of securityholders and for each securityholder confirm which category of accredited investor he/she/it purchased the securities of the investment fund under and either provide evidence of (i) the purchaser's accredited investor status on the date of subscription or (ii) amount of aggregate subscription cost. We may ask for additional documentation.]</i></b></p>
o.	<p>an <b>investment fund</b> that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;</p>
p.	<p>a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a <b>foreign jurisdiction</b>, acting on behalf of a <b>fully managed account</b> managed by the trust company or trust corporation, as the case may be;</p> <p><b><i>[Instructions: Please include proof of registration or authorization to carry on business.]</i></b></p>
q.	<p>a <b>person</b> acting on behalf of a <b>fully managed account</b> managed by that <b>person</b>, if that <b>person</b></p> <p>(i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a <b>foreign jurisdiction</b>, and</p> <p>(ii) in Ontario, is purchasing a security that is not a security of an investment fund;</p> <p><b><i>[Instructions: Please include proof of registration or authorization to carry on business as an advisor or equivalent.]</i></b></p>
r.	<p>a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an <b>eligibility adviser</b> or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;</p>
s.	<p>an entity organized in (d) or paragraph (i) in form and function;</p> <p><b><i>[Instructions: If you are analogous to an entity referred to in paragraph (d), please include proof of registration.]</i></b></p>

t.	<p>a <b>person</b> in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by <b>directors</b>, are persons that are accredited investors;</p> <p><i><b>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have each owner complete, date and execute (i) the Underlying Accredited Investor Status Certificate attached as EXHIBIT F, and (ii) if such beneficial owner is an individual, the Accredited Investor Profile attached as EXHIBIT D.]</b></i></p>
u.	<p>an <b>investment fund</b> that is advised by a <b>person</b> registered as an adviser or a <b>person</b> that is exempt from registration as an adviser;</p> <p><i><b>[Instructions: Please include proof of registration or exemption from registration of the person that advises the investment fund.]</b></i></p>
v.	<p>a <b>person</b> that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or</p> <p><i><b>[Instructions: Please include proof of recognition or designation.]</b></i></p>
w.	<p>a trust established by an accredited investor (the "Settlor") for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's <b>spouse</b>, a former <b>spouse</b> of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of the accredited investor, of that accredited investor's <b>spouse</b> or of that accredited investor's former <b>spouse</b>.</p> <p><i><b>[Instructions: Please include a copy of the trust agreement establishing the trust and have the Settlor and a majority of the trustees complete, date and execute ((i) the Underlying Accredited Investor Status Certificate attached as EXHIBIT F, and (ii) if such beneficial owner is an individual, the Accredited Investor Profile attached as EXHIBIT D.)]</b></i></p>

IN WITNESS WHEREOF, the undersigned has executed this Accredited Investor Status Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

For the purposes hereof, the following definitions are included for convenience:

**“Canadian financial institution”** means

- (i) an association governed by the *Cooperative Credit Association Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
- (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

**“company”** means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

**“control”** - a person (first person) is considered to control another person (second person) if

- (i) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
- (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
- (iii) the second person is a limited partnership and the general partner of the limited partnership is the first person.

**“director”** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**“eligibility advisor”** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction off Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - a. have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - b. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**“EVCC”** means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia) and whose business objective is making multiple investments;

**“executive officer”** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,

- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer.

**"financial assets"** means

- (i) cash,
- (ii) securities, or
- (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

**NOTE:** the value of an investor's personal residence or other real estate is not included in the calculation of financial assets

**"financial statements"** includes interim financial reports;

**"foreign jurisdiction"** means a country other than Canada or a political subdivision of a country other than Canada;

**"founder"** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer.

**"fully managed account"** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

**"individual"** means a natural person, but does not include a partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust or a natural person in his or her capacity as trustee, executor, administrator or other legal personal representative;

**"instrument"** means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;

**"investment fund"** means a mutual fund or a non-redeemable investment fund, and for greater certainty in British Columbia, includes an EVCC or a VCC;

**"mutual fund"** means an issuer whose primary purpose is to invest money provided by its security holders and whose securities entitle the holder to receive on demand, or within a specified period after the demand, an amount computed by reference to the value of the proportionate interest in the whole or part of the net assets, including a separate fund or trust account, of the issuer;

**"net assets"** includes all of the Subscriber's total assets minus all of the Subscriber's total liabilities; as a result, the calculation of total assets would include the value of the Subscriber personal residence or other real estate and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence or other real estate; income tax should also be considered a liability if the obligation to pay it is outstanding at the Closing;

**"non redeemable investment fund"** means an issuer:

- (i) whose primary purpose is to invest money provided by its securityholders,
- (ii) that does not invest,
  - a. for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or
  - b. for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and

- (iii) that is not a mutual fund;

**“person”** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative;

**“related liabilities”** means

- (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
- (ii) liabilities that are secured by financial assets;

**“Schedule III bank”** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

**“spouse”** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

**“subsidiary”** means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary; and

**“VCC”** means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), whose business objective is making multiple investments.



## EXHIBIT D

### ACCREDITED INVESTOR PROFILE

Securities legislation requires that the Limited Partnership obtain detailed information about its investors. We collect and maintain your personal information in order to allow us to establish your identity and verify your Accredited Investor status. Please fill in **ALL** parts of the form that begins on the next page, or indicate "Not Applicable" and **DO NOT LEAVE ANY AREAS BLANK**. Please advise the Limited Partnership and the General Partner whenever there is any change to this information.

INVESTOR INFORMATION:				
<input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Dr.				
First Name:		Last Name:		
Province / Territory of Residency:				
Residential Address:		City	Province	Postal Code
Home Phone #	Business Phone #	Cell #	Fax #	
Employment Status <input type="checkbox"/> Employed <input type="checkbox"/> Self Employed <input type="checkbox"/> Student <input type="checkbox"/> Homemaker <input type="checkbox"/> Unemployed <input type="checkbox"/> Retired (Please indicate previous employment information)				
Occupation	Employer's Name	Employer Address	Type of Business	Years with Employer
Spouse's Name <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Dr. First Name:                      Last Name:		Occupation of Spouse	Spouse's Employer's Name	Years with Employer
INVESTOR PROFILE – Please check all applicable boxes				
<b>Financial assets</b> (cash + insurance contracts + securities + deposits that are not a security – liabilities incurred or assumed to finance acquisition of financial assets or liabilities secured by financial assets)  <input type="checkbox"/> Less than \$1 Million, Individual with or without spouse <input type="checkbox"/> Between \$1 Million and \$5 Million, Individual with or without spouse <input type="checkbox"/> More than \$5 Million, Individual only				
<b>Net Assets</b> (net financial assets + fixed and long term assets – liabilities incurred or assumed to finance acquisition of fixed or long term assets or liabilities secured by fixed or long term assets)  <input type="checkbox"/> Less than \$5 Million, Individual with or without spouse <input type="checkbox"/> More than \$5 Million, Individual with or without spouse				
<b>Net Income</b> (Net Income before taxes in each of the 2 most recent calendar years, and expected Net Income before taxes from the current calendar year)				
<b>2015</b> <input type="checkbox"/> Less than \$200,000 individual only <input type="checkbox"/> More than \$200,000 individual only <input type="checkbox"/> Less than \$300,000 combined individual and spouse <input type="checkbox"/> More than \$300,000 combined individual and spouse	<b>2016</b> <input type="checkbox"/> Less than \$200,000 individual only <input type="checkbox"/> More than \$200,000 individual only <input type="checkbox"/> Less than \$300,000 combined individual and spouse <input type="checkbox"/> More than \$300,000 combined individual and spouse	<b>Expected 2017</b> <input type="checkbox"/> Less than \$200,000 individual only <input type="checkbox"/> More than \$200,000 individual only <input type="checkbox"/> Less than \$300,000 combined individual and spouse <input type="checkbox"/> More than \$300,000 combined individual and spouse		
The above information is true and complete.  <b>X</b>  _____ <b>INVESTOR SIGNATURE</b>		DATE		

1. We are obliged to verify the identity of our investors in accordance with applicable securities legislation and appreciate your understanding and cooperation in meeting this requirement.
2. All investor information is considered confidential and is protected by the *Personal Information Protection and Electronic Documents Act* (PIPEDA). We will not disclose any such information except in response to a legally enforceable demand or to bona fide regulatory authorities with jurisdiction over Permex Petroleum Limited Partnership or Permex Petroleum Operating Ltd.

EXHIBIT E

FORM 45-106F9 - INDIVIDUAL ACCREDITED INVESTOR RISK ACKNOWLEDGEMENT FORM

To be completed, dated and executed by individual accredited investors who satisfy at least one of the categories set forth in Section 3 below.

**WARNING!**

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

<b>1. About your investment</b>	
Type of securities: <b>Limited Partnership Units</b>	Issuer: <b>Permex Petroleum Limited Partnership</b>
Purchased from: <b>Permex Petroleum Limited Partnership</b>	
<b>SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER</b>	
<b>2. Risk acknowledgement</b>	
This investment is risky. Initial that you understand that:	<b>Your initials</b>
<b>Risk of loss</b> – You could lose your entire investment of \$ _____. <i>[Instruction: Insert the total dollar amount of the investment.]</i>	
<b>Liquidity risk</b> – You may not be able to sell your investment quickly – or at all.	
<b>Lack of information</b> – You may receive little or no information about your investment.	
<b>Lack of advice</b> – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to <a href="http://www.aretheyregistered.ca">www.aretheyregistered.ca</a> .	
<b>3. Accredited investor status</b>	
You must meet at least <b>one</b> of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	<b>Your initials</b>
• Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)</li></ul> |  |
|---|--|

#### 4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

First and last name (please print):

Signature:

Date:

#### 5. Salesperson information

First and last name of salesperson (please print):

Telephone:

Email:

Name of firm:

#### 6. For more information about this investment

Permex Petroleum Limited Partnership

Suite 1290, 625 Howe Street

Vancouver, BC V6C 2T6

Phone: (604) 259-2525

E-mail: [info@energyresourcescorp.ca](mailto:info@energyresourcescorp.ca)

**For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at [www.securities-administrators.ca](http://www.securities-administrators.ca).**

## EXHIBIT F

### UNDERLYING ACCREDITED INVESTOR STATUS CERTIFICATE

**You are required to fully complete, date and execute this form if the boxes beside Items (t) or (w) in the Accredited Investor Status Certificate were initialed.**

*The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.*

All money references are in Canadian Dollars.

The undersigned is \_\_\_\_\_ (securityholder, trustee or settlor) of the Subscriber and is (and at the Closing Time will be) an "accredited investor" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, by virtue of being **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	a.	except in Ontario, a <b>Canadian financial institution</b> , or a <b>Schedule III bank</b> ;
	a.1 .	in Ontario, a bank listed in Schedule I, II or III of the Bank Act (Canada), as an association to which the Cooperative Credit Associations Act (Canada) applies or a contract cooperative credit society for which an order has been made under subsection 473(1) of the Act, or a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;
	b.	the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);
	c.	a <b>subsidiary</b> of any <b>person</b> referred to in paragraphs (a), (a.1) or (b), if the <b>person</b> owns all of the voting securities of the <b>subsidiary</b> , except the voting securities required by law to be owned by <b>directors</b> of that subsidiary;
	d.	except in Ontario, a <b>person</b> registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;  <b>[Instructions: Please include proof of registration.]</b>
	d.1 .	in Ontario, a <b>person</b> or company registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;  <b>[Instructions: Please include proof of registration.]</b>
	e.	an <b>individual</b> registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);  <b>[Instructions: Please include proof of registration.]</b>
	e.1 .	an <b>individual</b> formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as an representative of a limited market dealer under one or both of the Securities Act (Ontario) or the Securities Act

		(Newfoundland and Labrador);  <b><i>[Instructions: Please include proof of former registration.]</i></b>
	f.	the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
	g.	a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
	h.	any national, federal, state, provincial, territorial or municipal government of or in any <b>foreign jurisdiction</b> , or any agency of that government;
	i.	a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;
	j.	an <b>individual</b> who, either alone or with a <b>spouse</b> , beneficially owns <b>financial assets</b> having an aggregate realizable value that before taxes, but net of any <b>related liabilities</b> , exceeds \$1,000,000;  <b><i>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT D.]</i></b>
	j.1.	an <b>individual</b> who beneficially owns <b>financial assets</b> having an aggregate realizable value that, before taxes but net of any <b>related liabilities</b> , exceeds \$5,000,000;  <b><i>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT D.]</i></b>
	k.	an <b>individual</b> whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a <b>spouse</b> exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;  <b><i>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT D.]</i></b>
	l.	an <b>individual</b> who, either alone or with a <b>spouse</b> , has <b>net assets</b> of at least \$5,000,000;  <b><i>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT D.]</i></b>
	m.	a <b>person</b> , other than an <b>individual</b> or <b>investment fund</b> , that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements (prepared in accordance with applicable generally accepted accounting principles);  <b>[Note: a person is not eligible under this paragraph m if it was created or is being used solely to purchase or hold securities as an accredited investor in reliance upon this paragraph.]</b>  <b><i>[Instructions: Please include a copy of your most recently prepared financial statements.]</i></b>

n.	<p>an <b>investment fund</b> that distributes or has distributed its securities only to</p> <p>(i) a <b>person</b> that is or was an accredited investor at the time of the distribution,</p> <p>(ii) a <b>person</b> that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment], or 2.19 [Additional investment in investment funds] of the <b>instrument</b> or their equivalents under securities legislation of an applicable jurisdiction as specified in sections 8.1 and 8.2 of the <b>instrument</b>, or</p> <p>(iii) a <b>person</b> described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [Investment fund reinvestment] of the <b>instrument</b>;</p> <p><b><i>[Instructions: Please provide a list of securityholders and for each securityholder confirm which category of accredited investor he/she/it purchased the securities of the investment fund under and either provide evidence of (i) the purchaser's accredited investor status on the date of subscription or (ii) amount of aggregate subscription cost. We may ask for additional documentation.]</i></b></p>
o.	<p>an <b>investment fund</b> that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;</p>
p.	<p>a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a <b>foreign jurisdiction</b>, acting on behalf of a <b>fully managed account</b> managed by the trust company or trust corporation, as the case may be;</p> <p><b><i>[Instructions: Please include proof of registration or authorization to carry on business.]</i></b></p>
q.	<p>a <b>person</b> acting on behalf of a <b>fully managed account</b> managed by that <b>person</b>, if that <b>person</b></p> <p>(i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a <b>foreign jurisdiction</b>, and</p> <p>(ii) in Ontario, is purchasing a security that is not a security of an investment fund;</p> <p><b><i>[Instructions: Please include proof of registration or authorization to carry on business as an advisor or equivalent.]</i></b></p>
r.	<p>a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an <b>eligibility adviser</b> or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;</p>
s.	<p>an entity organized in a <b>foreign jurisdiction</b> that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;</p> <p><b><i>[Instructions: If you are analogous to an entity referred to in paragraph (d), please include proof of registration.]</i></b></p>

t.	<p>a <b>person</b> in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by <b>directors</b>, are persons that are accredited investors;</p> <p><i><b>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have each owner complete, date and execute (i) a copy of this Underlying Accredited Investor Status Certificate, and (ii) if such beneficial owner is an individual, the Accredited Investor Profile attached as EXHIBIT D.]</b></i></p>
u.	<p>an <b>investment fund</b> that is advised by a <b>person</b> registered as an adviser or a <b>person</b> that is exempt from registration as an adviser;</p> <p><i><b>[Instructions: Please include proof of registration or exemption from registration of the person that advises the investment fund.]</b></i></p>
v.	<p>a <b>person</b> that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or</p> <p><i><b>[Instructions: Please include proof of recognition or designation.]</b></i></p>
w.	<p>a trust established by an accredited investor (the "Settlor") for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's <b>spouse</b>, a former <b>spouse</b> of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of the accredited investor, of that accredited investor's <b>spouse</b> or of that accredited investor's former <b>spouse</b>.</p> <p><i><b>[Instructions: Please include a copy of the trust agreement establishing the trust and have the Settlor and a majority of the trustees complete, date and execute (i) a copy of this Underlying Accredited Investor Status Certificate, and (ii) if such beneficial owner is an individual, the Accredited Investor Profile attached as EXHIBIT D.]</b></i></p>

IN WITNESS WHEREOF, the undersigned has executed this Underlying Accredited Investor Status Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)



For the purposes hereof, the following definitions are included for convenience:

**“Canadian financial institution”** means

- (i) an association governed by the *Cooperative Credit Association Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
- (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

**“company”** means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

**“control”** - a person (first person) is considered to control another person (second person) if

- (i) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
- (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
- (iii) the second person is a limited partnership and the general partner of the limited partnership is the first person.

**“director”** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**“eligibility advisor”** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction off Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - a. have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - b. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**“EVCC”** means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia) and whose business objective is making multiple investments;

**“executive officer”** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or

- (iii) performing a policy-making function in respect of the issuer.

**“financial assets”** means

- (i) cash,
- (ii) securities, or
- (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

**NOTE:** the value of an investor's personal residence or other real estate is not included in the calculation of financial assets

**“financial statements”** includes interim financial reports;

**“foreign jurisdiction”** means a country other than Canada or a political subdivision of a country other than Canada;

**“founder”** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer.

**“fully managed account”** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

**“individual”** means a natural person, but does not include a partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust or a natural person in his or her capacity as trustee, executor, administrator or other legal personal representative;

**“instrument”** means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;

**“investment fund”** means a mutual fund or a non-redeemable investment fund, and for greater certainty in British Columbia, includes an EVCC or a VCC;

**“mutual fund”** means an issuer whose primary purpose is to invest money provided by its security holders and whose securities entitle the holder to receive on demand, or within a specified period after the demand, an amount computed by reference to the value of the proportionate interest in the whole or part of the net assets, including a separate fund or trust account, of the issuer;

**“net assets”** includes all of the Subscriber's total assets minus all of the Subscriber's total liabilities; as a result, the calculation of total assets would include the value of the Subscriber personal residence or other real estate and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence or other real estate; income tax should also be considered a liability if the obligation to pay it is outstanding at the Closing;

**“non redeemable investment fund”** means an issuer:

- (i) whose primary purpose is to invest money provided by its securityholders,
- (ii) that does not invest,
  - a. for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or
  - b. for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and
- (iii) that is not a mutual fund;

**“person”** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

**"related liabilities"** means

- (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
- (ii) liabilities that are secured by financial assets;

**"Schedule III bank"** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

**"spouse"** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

**"subsidiary"** means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary; and

**"VCC"** means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), whose business objective is making multiple investments.

**EXHIBIT G**

**NORTHWEST EXEMPTION RISK ACKNOWLEDGEMENT FORM**

**TO BE EXECUTED WHERE THE PARTY SELLING THE UNITS IS  
NOT REGISTERED UNDER NATIONAL INSTRUMENT 31-103**

If the Units are being sold by a party pursuant to the terms and conditions of the Alberta Securities Commission Blanket Order 31-505, British Columbia Securities Commission Instrument 32-513, Manitoba Securities Commission Blanket Order 31-505 or Saskatchewan Financial Services Commission General Order 45-918, then two copies of this EXHIBIT G must be duly completed, dated and executed. Retain one copy for your records and deliver the other copy to the Limited Partnership.

<b>Risk Acknowledgement Registration Exemption for Trades in Connection with Certain Prospectus Exempt Distributions</b>		<b>W A R N I N G</b>
Name of Issuer: <u>PERMEX PETROLEUM LIMITED PARTNERSHIP</u>		
Name of Seller: _____		
<b>I acknowledge that:</b>		
1. the person selling me these securities is not registered with a securities regulatory authority and is prohibited from telling me that this investment is suitable for me;		
2. the person selling me these securities does not act for me;		
3. this is a risky investment and I could lose all my money; and		
4. I am investing entirely at my own risk.		
Date _____	Signature of Purchaser _____	
	Print name of Purchaser _____	
Name of salesperson acting on behalf of seller _____		
<b>Sign 2 copies of this document. Keep one copy for your records.</b>		

National Instrument 45-106 *Prospectus Exemptions* may require you to sign an additional risk acknowledgement form. If you want advice about the merits of this investment and whether these securities are a suitable investment for you, contact a registered adviser or dealer.

**EXHIBIT H**

**INTERNATIONAL JURISDICTION CERTIFICATE  
(JURISDICTIONS OTHER THAN CANADA OR THE UNITED STATES)**

**TO: PERMEX PETROLEUM LIMITED PARTNERSHIP (the “Limited Partnership”)**  
**AND TO: PERMEX PETROLUEM OPERATING LTD. (the “General Partner”)**

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In connection with the purchase by the undersigned Subscriber of the Units, the Subscriber hereby represents, warrants, covenants and certifies to the Limited Partnership and the General Partner (and acknowledges that the Limited Partnership, the General Partner and its counsel are relying thereon) that the Subscriber:

- (a) is knowledgeable of, or has been independently advised as to the applicable securities laws of the securities regulatory authorities (the “**Authorities**”) having application in the jurisdiction in which the Subscriber is resident (the “**International Jurisdiction**”) which would apply to the acquisition of the Units, if any;
- (b) is purchasing the Units pursuant to exemptions from the prospectus and registration or equivalent requirements under the applicable securities laws of the Authorities in the International Jurisdiction or, if such is not applicable, the Subscriber is permitted to purchase the Units under the applicable securities laws of the Authorities in the International Jurisdiction without the need to rely on any exemption;
- (c) confirms that the applicable securities laws of the Authorities in the International Jurisdiction do not require the Limited Partnership or the General Partner to make any filings or seek any approvals of any nature whatsoever from any Authority of any kind whatsoever in the International Jurisdiction in connection with the issue and sale or resale of the Units;
- (d) confirms that the purchase of the Units by the Subscriber does not trigger:
  - (i) an obligation make any filings or seek any approvals of any kind whatsoever from any securities regulators of any kind whatsoever or to prepare and file a registration statement, offering memorandum, prospectus, offering circular or similar document, or any other report with respect to such purchase in the International Jurisdiction,
  - (ii) continuous disclosure reporting obligations of the Limited Partnership or the General Partner in the International Jurisdiction, or
  - (iii) any registration or other obligation on the part of the Limited Partnership and the General Partner;
- (e) confirms that the distribution of the Units to the Subscriber by the Limited Partnership complies with the laws of the International Jurisdiction; and
- (f) the Subscriber will, if requested by the Limited Partnership, comply with such other requirements as the Limited Partnership may reasonably require.

**[THIS SPACE INTENTIONALLY LEFT BLANK.]**

The foregoing representations contained in this International Jurisdiction Certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing. If any such representations shall not be true and accurate prior to the Closing, the undersigned shall give immediate written notice of such fact to the Limited Partnership and the General Partner prior to the Closing.

**IN WITNESS WHEREOF, the undersigned has executed this International Jurisdiction Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.**

---

Signature of individual (if Subscriber **is** an individual)

---

Authorized signatory (if Subscriber **is not** an individual)

---

Name of Subscriber **(please print)**

---

Name of authorized signatory **(please print)**

---

Official capacity of authorized signatory **(please print)**

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**SCHEDULE B**

**TO THE OFFERING MEMORANDUM OF**

**PERMEX PETROLEUM LIMITED PARTNERSHIP**

**DATED June 28, 2017**

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**SUBSCRIPTION DOCUMENTS**

PERMEX PETROLEUM LIMITED PARTNERSHIP

SUBSCRIPTION DOCUMENTS

Offering Memorandum





**PERMEX PETROLEUM LIMITED PARTNERSHIP**

**SUBSCRIPTION AGREEMENT AND POWER OF ATTORNEY**

**THE SECURITIES TO WHICH THIS SUBSCRIPTION AGREEMENT RELATES ARE SUBJECT TO A HOLD PERIOD IN ALL OF THE PROVINCES OF CANADA AND MAY NOT BE TRADED IN ANY OF THE PROVINCES OF CANADA EXCEPT AS PERMITTED BY APPLICABLE SECURITIES LEGISLATION.**

TO: Permex Petroleum Limited Partnership (the “**Limited Partnership**”)  
AND TO: Permex Petroleum Operating Ltd. (the “**General Partner**”)

The undersigned (the “**Subscriber**”) hereby irrevocably subscribes for and agrees to purchase that number of units (the “**Units**”) in the Limited Partnership shown in section (c) of the **Basic Terms** below, having an acquisition cost of \$1,000 per Unit (subject to a minimum subscription amount of \$10,000 or ten Units), for the Purchase Price shown in section (d) of the Basic Terms, which is tendered herewith, on the basis of the representations and warranties and subject to the terms and conditions set forth herein, including those set out in EXHIBIT A through EXHIBIT O attached hereto, as applicable (collectively, the “**Subscription Agreement**”).

**Basic Terms**

The following information is applicable to this Subscription Agreement:

(a) Subscriber:	
(i) Name:	
(ii) Official Title or Capacity ( <i>if signing on behalf of a Corporation</i> )	
(iii) Address:	
(iv) Phone No.:	
(v) Social Insurance Number:	
(vi) E-mail address:	
(b) Date of Offering Memorandum Received By Subscriber:	
(c) No. of Units ( <i>Minimum 10 Units</i> ):	
(d) Purchase Price: ( <i>No. of Units x \$1,000</i> ):	

(e) The Subscriber acknowledges, represents and warrants as of the date of this Subscription Agreement that the Subscriber **[check the appropriate box]**:

- (i) **is a resident of British Columbia or Newfoundland and Labrador** and has duly completed, dated, executed and delivered two (2) copies of the **Risk Acknowledgement Form** attached as EXHIBIT B, (one copy of which must be delivered to the Limited Partnership and one copy must be retained for your records); or

☐

- (ii) **is a resident of Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon and is subscribing for NO MORE THAN \$10,000 in Units** and has duly completed, dated, executed and delivered two (2) copies of the **Risk Acknowledgement Form** attached as EXHIBIT B (one copy of which must be delivered to the Limited Partnership and one copy must be retained for your records); or ☐
- (iii) **is a resident of Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon and is subscribing for MORE THAN \$10,000 in Units**, and has duly completed, dated, executed and delivered ☐
- A. two (2) copies of the **Risk Acknowledgement Form** attached as EXHIBIT B (one copy of which must be delivered to the Limited Partnership and one copy must be retained for your records);
  - B. the **Eligible Investor Representation Letter (MB, NWT, NU, PEI, YK)** attached as EXHIBIT E,
  - C. the **Eligible Investor Status Certificate (MB, NWT, NU, PEI, YK)** attached as EXHIBIT F,
  - D. all other Exhibits, as indicated herein, and
  - E. the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents; or
- (iv) **is an individual investor resident in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia and is subscribing for NO MORE THAN \$10,000 in Units** and has duly completed, dated, executed and delivered ☐
- A. two (2) copies of each of
    - I. the **Risk Acknowledgement Form** attached as EXHIBIT B;
    - II. the **Classification of Investors Under the Offering Memorandum Exemption** attached as EXHIBIT C; and
    - III. the **Investment Limits for Investors Under the Offering Memorandum Exemption** attached as EXHIBIT D,

(one copy of each such document must be delivered to the Limited Partnership and one copy must be retained for your records), and
  - B. if the Subscriber is resident in Saskatchewan and is required to provide such form pursuant to the instructions set out in the **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)**

attached as EXHIBIT H, two (2) copies of the **Saskatchewan Risk Acknowledgement Form** attached as EXHIBIT N (one full copy must be delivered to the Limited Partnership and one copy must be retained for your records); or

- (v) **is an individual investor resident in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia, is subscribing for NO MORE THAN \$30,000 in Units and checked the box beside Item 3(b) to the Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H and has duly completed, dated, executed and delivered ☐

- A. two (2) copies of each of
- I. the **Risk Acknowledgement Form** attached as EXHIBIT B;
  - II. the **Classification of Investors Under the Offering Memorandum Exemption** attached as EXHIBIT C; and
  - III. the **Investment Limits for Investors Under the Offering Memorandum Exemption** attached as EXHIBIT D,
- (one copy of each such document must be delivered to the Limited Partnership and one copy must be retained for your records),
- B. the **Eligible Investor Representation Letter (SK, ON, QU, NB, NS)** attached as EXHIBIT G,
- C. the **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H,
- D. if the Subscriber is resident in Saskatchewan and is required to provide such form pursuant to the instructions set out in the **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H, two (2) copies of the **Saskatchewan Risk Acknowledgement Form** attached as EXHIBIT N (one full copy must be delivered to the Limited Partnership and one copy must be retained for your records);
- E. all other Exhibits, as indicated herein, and
- F. the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents; or

- (vi) **is an individual investor resident in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia , is subscribing for NO MORE THAN \$100,000 in Units and checked the box beside Item 3(c) to the Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H and has duly completed, dated, executed and delivered ☐

- A. two (2) copies of each of

- I. the **Risk Acknowledgement Form** attached as EXHIBIT B;
- II. the **Classification of Investors Under the Offering Memorandum Exemption** attached as EXHIBIT C; and
- III. the **Investment Limits for Investors Under the Offering Memorandum Exemption** attached as EXHIBIT D,

(one copy of each such document must be delivered to the Limited Partnership and one copy must be retained for your records),

- B. the **Eligible Investor Representation Letter (SK, ON, QU, NB, NS)** attached as EXHIBIT G,
- C. the **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H;
- D. if the Subscriber is resident in Saskatchewan and is required to provide such form pursuant to the instructions set out in the **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H, two (2) copies of the **Saskatchewan Risk Acknowledgement Form** attached as EXHIBIT N (one full copy must be delivered to the Limited Partnership and one copy must be retained for your records);
- E. all other Exhibits, as indicated herein, and
- F. the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents; or

(vii) **is a non-individual investor (e.g., the investor is a corporate entity or other legal entity that is not an individual) resident in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia, and checked the box beside Item 3(a) to the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H and has duly completed, dated, executed and delivered** ☐

- A. two (2) copies of the **Risk Acknowledgement Form** attached as EXHIBIT B (one copy of which must be delivered to the Limited Partnership and one copy must be retained for your records), and
- B. if the Subscriber is resident in Saskatchewan and is required to provide such form pursuant to the instructions set out in the **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H, two (2) copies of the **Saskatchewan Risk Acknowledgement Form** attached as EXHIBIT N (one full copy must be delivered to the Limited Partnership and one copy must be retained for your records).

- (f) **Northwest Exemption:** if the Subscriber is resident in British Columbia, Manitoba or Saskatchewan, two (2) copies of the **Northwest Exemption Risk Acknowledgement Form** attached as EXHIBIT O have been completed by the Subscriber if the Units are sold to the Subscriber by a party pursuant to the terms and conditions of applicable instruments published by the Canadian Securities Administrators in such province(s) exempting such person from registration in such province(s).

**[THIS SPACE INTENTIONALLY LEFT BLANK.]**

**Insider Status**

The Subscriber either **[check appropriate box]**:

<input type="checkbox"/>	is an “Insider” of the Limited Partnership as defined in the Securities Act (British Columbia); or
<input type="checkbox"/>	is not an Insider of the Limited Partnership.

**Registrant Status**

The Subscriber either **[check appropriate box]**:

<input type="checkbox"/>	is a “Registrant”, namely, a person registered, or required to be registered, under the Securities Act (British Columbia); or
<input type="checkbox"/>	is not a Registrant.

**Additional Terms and Conditions**

The terms and conditions of EXHIBIT A through EXHIBIT O, as applicable, shall apply to the Subscriber’s subscription for the Units and are incorporated into this Subscription Agreement.

**The following table sets out the various Exhibits hereto:**

Reference	Title	Page
EXHIBIT A	Terms and Conditions of Subscription for Units (ALL SUBSCRIBERS)	9
EXHIBIT B	Risk Acknowledgement Form (ALL SUBSCRIBERS)	20
EXHIBIT C	Classification of Investors Under the Offering Memorandum Exemption (SK, ON, QU, NB, NS)	23
EXHIBIT D	Investment Limits for Investors Under the Offering Memorandum Exemption (SK, ON, QU, NB, NS)	25
EXHIBIT E	Eligible Investor Representation Letter (MB, NWT, NU, PEI, YK)	27
EXHIBIT F	Eligible Investor Status Certificate (MB, NWT, NU, PEI, YK)	29
EXHIBIT G	Eligible Investor Representation Letter (SK, ON, QU, NB, NS)	36
EXHIBIT H	Eligible Investor Status Certificate (SK, ON, QU, NB, NS)	38
EXHIBIT I	Eligible Investor Profile (ALL ELIGIBLE INVESTORS)	46
EXHIBIT J	Underlying Eligible Investor Status Certificate (AS APPLICABLE)	47
EXHIBIT K	Underlying Accredited Investor Status Certificate (AS APPLICABLE)	55
EXHIBIT L	Accredited Investor Profile	62
EXHIBIT M	Underlying Family, Friends and Business Associates Status Certificate (AS APPLICABLE)	64
EXHIBIT N	Saskatchewan Risk Acknowledgement Form (ALL SASKATCHEWAN RESIDENTS)	69
EXHIBIT O	Northwest Exemption Risk Acknowledgement Form	71

**IN WITNESS WHEREOF** the Subscriber has duly executed this Subscription Agreement on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
(Signature of the Subscriber and, if the  
Subscriber is a Corporation, an Officer)

**ACCEPTANCE**

This Subscription Agreement in respect of the Units is hereby accepted by Permex Petroleum Limited Partnership.

DATED at \_\_\_\_\_, the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

**Permex Petroleum Limited Partnership**  
By its General Partner  
**Permex Petroleum Operating Ltd.**

Per: \_\_\_\_\_  
Authorized Signatory



## EXHIBIT A

### TERMS AND CONDITIONS OF SUBSCRIPTION FOR UNITS

#### 1. **Subscription**

- 1.1 The Subscriber hereby irrevocably subscribes for and agrees to purchase that number of Units shown in section (c) of the Basic Terms having an acquisition cost of \$1,000 per Unit, for the Purchase Price shown in section (d) of the Basic Terms, which is tendered herewith, on the basis of the representations and warranties and subject to the terms and conditions set forth in this Subscription Agreement (the “**Subscription**”).
- 1.2 Subject to the terms hereof, the Subscription will be effective upon its acceptance by the General Partner on behalf of the Limited Partnership. Upon acceptance by the General Partner on behalf of the Limited Partnership, this Subscription constitutes an agreement by the Subscriber to become a limited partner of the Limited Partnership on the terms and subject to the terms and conditions set out in this Subscription Agreement.
- 1.3 At the sole discretion of the General Partner, the Units purchased hereunder may be represented electronically in the non-certificated inventory (“**NCI**”) system. In the event the Units purchased hereunder are represented at Closing electronically in the NCI system, registration of interests in such Units may be made only through a book-based system, and if so made, the ability of the Subscriber to pledge such Units or otherwise take action with respect to the Subscriber’s interest in such Units may be limited due to the lack of a physical certificate.

#### 2. **Payment for Units**

- 2.1 The Purchase Price shall be paid upon the execution and delivery of the Subscription Agreement to the General Partner by certified cheque or bank draft made payable to “Permex Petroleum Limited Partnership”.

#### 3. **Closing**

- 3.1 The General Partner will confirm whether or not the Subscription Agreement is acceptable, whereupon the General Partner will deliver to the Subscriber a signed copy of this Agreement (the “**Closing**”).
- 3.2 The Subscriber acknowledges that the Units purchased hereunder may be represented at Closing electronically in the NCI system. In the event the Units purchased hereunder are represented at Closing electronically in the NCI system, the Subscriber will not receive definitive certificates representing the Units.
- 3.3 The Closing will take place on such date or dates to be determined by the General Partner, provided however that the Purchase Price paid by the Subscriber will be held in trust pending the Closing.

#### 4. **Securities Act Exemption Matters**

- 4.1 The Subscriber acknowledges and agrees that:
  - (a) it is acquiring the Units pursuant to an exemption (the “**Exemption**”) from the prospectus requirements of the applicable securities laws and regulations (collectively, the “**Legislation**”) in all jurisdictions relevant to this Subscription, and, as a consequence, the Subscriber will not be entitled to use most of the civil remedies available under the

Legislation and the Subscriber will not receive information that would otherwise be required to be provided to the Subscriber pursuant to the Legislation;

(b) the Exemption is premised on the basis that:

(i) **if the Subscriber has checked box (i), (ii) or (vi) of Item (e) of the Basic Terms**, the Subscriber acknowledges and agrees that the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 7 of this Subscription Agreement**,

- A. a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B,
- B. such other supporting documentation that the General Partner or its legal counsel may request to establish the Subscriber's qualification under the Exemption;

(ii) **if the Subscriber has checked box (iii) of Item (e) of the Basic Terms**, the Subscriber acknowledges and agrees that the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 7 of this Subscription Agreement**,

- A. a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B,
- B. a duly completed, dated and executed **Eligible Investor Representation Letter (MB, NWT, NU, PEI, YK)** attached as EXHIBIT E,
- C. a duly completed, dated and executed **Eligible Investor Status Certificate (MB, NWT, NU, PEI, YK)** attached as EXHIBIT F,
- D. duly completed, dated and executed copies of all other Exhibits, as indicated herein,
- E. the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents, and
- F. such other supporting documentation that the General Partner or its legal counsel may request to establish the Subscriber's qualification under the Exemption;

(iii) **if the Subscriber has checked box (iv) of Item (e) of the Basic Terms**, the Subscriber acknowledges and agrees that the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 7 of this Subscription Agreement**,

- A. a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B, and
- B. such other supporting documentation that the General Partner or its legal counsel may request to establish the Subscriber's qualification under the Exemption;

- (iv) **if the Subscriber has checked box (v) of Item (e) of the Basic Terms**, the Subscriber acknowledges and agrees that the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 7 of this Subscription Agreement**,
- A. a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B,
  - B. a duly completed, dated and executed **Classification of Investors Under the Offering Memorandum Exemption** attached as EXHIBIT C,
  - C. a duly completed, dated and executed **Investment Limits for Investors Under the Offering Memorandum Exemption** attached as EXHIBIT D,
  - D. a duly completed, dated and executed **Eligible Investor Representation Letter (SK, ON, QU, NB, NS)** attached as EXHIBIT G,
  - E. a duly completed, dated and executed **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H,
  - F. duly completed, dated and executed copies of all other Exhibits, as indicated herein,
  - G. the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents, and
  - H. such other supporting documentation that the General Partner or its legal counsel may request to establish the Subscriber's qualification under the Exemption;
- (v) **if the Subscriber has checked box (vi) of Item (e) of the Basic Terms**, the Subscriber acknowledges and agrees that the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, **along with a duly completed, dated and executed copy of pages 1 to 7 of this Subscription Agreement, a duly completed, dated and executed**
- A. a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B,
  - B. a duly completed, dated and executed **Classification of Investors Under the Offering Memorandum Exemption** attached as EXHIBIT C,
  - C. a duly completed, dated and executed **Investment Limits for Investors Under the Offering Memorandum Exemption** attached as EXHIBIT D,
  - D. a duly completed, dated and executed **Eligible Investor Representation Letter (SK, ON, QU, NB, NS)** attached as EXHIBIT G,
  - E. a duly completed, dated and executed **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H,
  - F. duly completed, dated and executed copies of all other Exhibits, as indicated herein,

- G. the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents,
  - H. such other supporting documentation that the General Partner or its legal counsel may request to establish the Subscriber's qualification under the Exemption;
- (vi) **if the Subscriber is resident in British Columbia, Manitoba or Saskatchewan, and is purchasing Units from a party pursuant to the terms and conditions of applicable instruments published by the Canadian Securities Administrators in such province(s) exempting such person from registration in such province(s), the General Partner shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the General Partner, along with a duly completed, dated and executed copy of pages pages 1 to 7 of this Subscription Agreement,**
- A. a copy of the **Northwest Exemption Risk Acknowledgement Form** attached as EXHIBIT O, and
  - B. such other documentation as may be required pursuant to subsections 4.1(b)(i) to (vi), above

## **5. Acknowledgements of Subscriber**

### **5.1 The Subscriber acknowledges and agrees that:**

- (a) there is no market for the Units and no market for the Units may ever exist;
- (b) the Subscriber is aware that an investment in the Units is speculative and involves certain risks, including the possible loss of the Subscriber's entire investment;
- (c) the Subscriber understands and agrees that the General Partner and others will rely upon the truth and accuracy of the acknowledgements, representations and agreements contained in this Subscription Agreement and any other documentation or information provided to the General Partner in connection with the Subscription, and agrees that if any of such acknowledgements, representations and agreements are no longer accurate or have been breached, the Subscriber shall promptly notify the General Partner;
- (d) any transfer, resale or other subsequent disposition of the Units will be subject to restrictions set out in the Limited Partnership Agreement in respect of the Limited Partnership (the "**Partnership Agreement**") and may be subject to restrictions contained in the Legislation applicable to the holder of the Units or to the proposed transferee, including, but not limited to, resale restrictions under the *Securities Act* (British Columbia) or similar legislation in the other Provinces or Territories of Canada, as applicable;
- (e) the Limited Partnership is not a reporting issuer in any Province or Territory of Canada and, accordingly, any applicable hold periods under the Legislation may never expire, and the Units may be subject to restrictions on resale for an indefinite period of time;
- (f) the Units have not been registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or the securities laws of any state of the United States, that the Units may not be offered or sold, directly or indirectly, in the United States except pursuant to registration under the 1933 Act and the securities laws of all applicable states or available exemptions therefrom, that the Limited Partnership has no obligation or

present intention of filing a registration statement under the 1933 Act in respect of any of the Units, and that:

- (i) the offer to purchase the Subscriber's Units was not made to the Subscriber in the United States;
  - (ii) this Agreement was delivered to, executed and delivered by the Subscriber outside the United States;
  - (iii) the Subscriber is not, and will not be purchasing the Subscriber's Units for the account or benefit of, any U.S. Person (as defined in the 1933 Act) or person in the United States;
  - (iv) the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the 1933 Act;
  - (v) the Subscriber and any person for whose account it is acquiring the Subscriber's Units, if applicable, has no intention to distribute either directly or indirectly any of the Securities in the United States, except in compliance with the 1933 Act;
  - (vi) if the Subscriber is a corporation, partnership or other legal entity incorporated or organized in the United States, the Subscriber's affairs are controlled and directed from outside of the United States, its purchase of the Securities was not solicited in the United States, no part of the transaction which is the subject of this Subscription Agreement occurred in the United States, and the Limited Partnership and the General Partner has informed the Subscriber that no market for the Securities currently exists in the United States;
- (g) no person has made to the Subscriber any written or oral representations:
- (i) that any person will resell or repurchase the Units, other than the limited redemption right referred to in Article 6 of the Partnership Agreement;
  - (ii) that any person will refund the Purchase Price for the Units other than as provided in this Subscription;
  - (iii) as to the future price or value of the Units; or
  - (iv) that the Units will be listed and posted for trading on a stock exchange or that application has been made to list and post the Units for trading on a stock exchange;
- (g) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Units;
- (h) by execution hereof the Subscriber has waived the need for the General Partner to communicate its acceptance of the purchase of the Units pursuant to this Subscription Agreement;
- (i) the Subscriber has been advised to consult its own legal, tax and other advisors with respect to the merits and risks of an investment in the Units and with respect to applicable resale restrictions and it is solely responsible (and the General Partner is in no way responsible) for compliance with applicable resale restrictions;

- (j) the Subscriber shall duly complete, date, execute and return to the General Partner as soon as possible, on request by the General Partner, any documents, questionnaires, notices and undertakings as may be required by the General Partner, regulatory authorities, stock exchanges and applicable law.
- (k) there is no government or other insurance covering any of the Units; and
- (l) this Subscription Agreement is not enforceable by the Subscriber unless it has been accepted by the General Partner for and on behalf of the Limited Partnership, and the Subscriber acknowledges and agrees that the General Partner reserves the right to reject any Subscription for any reason.

**6. Representations, Warranties and Covenants of the Subscriber**

6.1 The Subscriber hereby represents and warrants to and covenants with the General Partner and the Limited Partnership (which representations, warranties and covenants will be true and correct as at the date set forth above and at Closing, and shall survive the Closing) that:

- (a) the Subscriber is acquiring the Units as a principal (and not as an agent) for investment purposes only, with no intention or view to reselling or distributing any portion or beneficial interest in the Units, and the Subscriber will be the beneficial owner of any Units to be issued to the Subscriber if, as and when this Subscription is accepted by the General Partner in whole or in part;
- (b) the Subscriber is resident in the jurisdiction identified in the address of the Subscriber set forth on page 1 of this Subscription Agreement;
- (c) the Subscriber has the legal capacity and competence to enter into and execute this Subscription Agreement and to take all actions required pursuant hereto and, if the Subscriber is a corporation, it is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation and all necessary approvals by its directors, shareholders and others have been obtained to authorize execution and performance of this Subscription Agreement on behalf of the Subscriber;
- (d) the entering into of this Subscription Agreement and the transactions contemplated hereby do not result in the violation of any of the terms and provisions of any law applicable to, or, if applicable, the constating documents of, the Subscriber, or of any agreement, written or oral, to which the Subscriber may be a party or by which the Subscriber is or may be bound;
- (e) the Subscriber has duly completed, dated, executed and delivered this Subscription Agreement and it constitutes a valid and binding agreement of the Subscriber enforceable against the Subscriber;
- (f) the Subscriber has received and reviewed a copy of the Partnership Agreement and the Offering Memorandum of the Limited Partnership, the date of which is shown in section (b) of the Basic Terms of this Subscription Agreement (the “**Offering Memorandum**”) and the Subscriber confirms that it is aware of and accepts the variances and additions to the terms and conditions of the Partnership Agreement from those summarized in the Offering Memorandum;
- (g) the Subscriber’s decision to tender this offer and purchase the Subscriber’s Units has not been made as a result of any verbal or written representation as to fact or otherwise made by or on behalf of the Limited Partnership, or any other person and is based entirely upon information contained herein, in the Offering Memorandum, and in the Partnership Agreement;

- (h) the Subscriber has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the transactions detailed in the Subscription Agreement;
- (i) the Subscriber is not:
  - (i) a person an interest in which is a "tax shelter investment" for the purposes of Section 143.2 of the *Income Tax Act* (Canada); or
  - (ii) a "financial institution" as that term is defined in subsection 142.2(1) of the *Income Tax Act* (Canada) (and agrees to immediately advise the General Partner if it becomes a "financial institution" at any time hereafter);
- (j) if financing the acquisition of Units by way of indebtedness, in whole or in part, the Subscriber has ensured and will ensure that all of the following terms are met with respect to such indebtedness:
  - (i) recourse for such indebtedness is not limited in any way, either immediately or in the future or absolutely or contingently;
  - (ii) *bona fide* written arrangements were made, at the time the indebtedness arose, for full repayment with interest within a reasonable period not exceeding 10 years;
  - (iii) interest is payable on such indebtedness at least annually at a rate at least equal to the rate prescribed (or to be prescribed) for purposes of Section 143.2 of the *Income Tax Act* (Canada) as of the time the indebtedness arose;
  - (iv) such interest will be paid no later than 60 days after the end of each taxation year of the debtor;
  - (v) there is not, and is not to be, a series of loans and repayments in relation to the indebtedness; and
  - (vi) all information with respect to the indebtedness is available in Canada;
- (k) the Subscriber has not purchased the Units as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other communication published in any newspaper, magazine or similar media or broadcast over radio, television or internet or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (l) the Subscriber agrees that the Limited Partnership and the General Partner may be required by law or otherwise to disclose to regulatory authorities the identity of the Subscriber; and
- (m) the funds representing the aggregate Purchase Price for the Subscriber's Units which will be advanced by the Subscriber hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the Subscriber acknowledges that the Limited Partnership may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to such Act. To the best of its knowledge: (a) none of the subscription funds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under any law of Canada, the United States of America (or any state thereof), or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and (b) the Subscriber shall promptly notify the Limited Partnership if the Subscriber

discovers that any of such representations ceases to be true, and to provide the Limited Partnership with appropriate information in connection therewith.

- 6.2 The Subscriber acknowledges that the representations, warranties, covenants and acknowledges contained herein are made by the Subscriber with the intention that they may be relied upon by the General Partner, the Limited Partnership and its legal counsel in determining the Subscriber's eligibility to acquire the Units under relevant Legislation. The Subscriber further agrees that by accepting delivery of the Units, the Subscriber will be representing and warranting that the foregoing representations and warranties are true and correct as at the time of delivery of such Units with the same force and effect as if they had been made by the Subscriber at such time, and that they shall survive the completion of the transactions contemplated under this Subscription and remain in full force and effect thereafter for the benefit of the General Partner for a period of two years.
- 6.3 The Subscriber hereby agrees to indemnify and hold harmless the General Partner and Limited Partnership and their respective directors, officers, employees, agents, advisors and shareholders from and against any and all loss, liability, claim, damage and expense whatsoever arising out of or based upon any representation or warranty of the Subscriber contained in this Subscription Agreement, any questionnaire or in any other document furnished by the Subscriber to the General Partner in connection herewith, being untrue in any material respect or any breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber to the General Partner in connection therewith;

## **7. Power of Attorney and Agreement to be Bound**

- 7.1 In consideration of the General Partner, on behalf of the Limited Partnership, accepting the Subscription of the Subscriber and conditional thereon, the Subscriber:
- (a) agrees to be bound, as a party to and as a limited partner in the Limited Partnership, by the terms of the Partnership Agreement, and the undersigned expressly ratifies and confirms the power of attorney given to the Limited Partnership therein; and
  - (b) irrevocably nominates, constitutes and appoints the General Partner and any successor to the General Partner under the terms of the Partnership Agreement, as the Subscriber's true and lawful attorney and agent, with full power of substitution and authority in the Subscriber's name, place and stead and for the Subscriber's use and benefit to do the following:
    - (i) execute, swear to, acknowledge, complete, deliver and file as and where the General Partner considers it appropriate any and all of the following:
      - A. the Partnership Agreement and all declarations and certificates of change required under the *Partnership Act* (British Columbia) and other instruments necessary to form, qualify or continue and keep in good standing the Limited Partnership as a limited partnership;
      - B. all instruments, declarations and certificates necessary to reflect any amendment to the Partnership Agreement;
      - C. all elections, determinations or designations made pursuant to the *Income Tax Act* (Canada) or any other taxation or other legislation or laws of like import of Canada or any provinces or jurisdictions in respect of the affairs of the Limited Partnership or of a partner's interest in the Limited Partnership; and



D. all conveyances, agreements and other instruments necessary or desirable to reflect the dissolution and termination of the Limited Partnership including cancellation of any certificates or declarations and the execution of any elections under the *Income Tax Act* (Canada) and any analogous provincial legislation, as any of the same may be amended or re-enacted from time to time;

- (ii) execute and file with any governmental body or instrumentality thereof of the Government of Canada or a province thereof or the Government of the United States or any state thereof, any documents necessary to be filed in connection with the business, property, assets and undertaking of the Limited Partnership;
- (iii) execute and deliver all such other documents or instruments on behalf of and in the name of the Limited Partnership and for or on behalf of the Subscriber as may be deemed necessary or desirable by the Limited Partnership to carry out fully the provisions of this Subscription Agreement, the Partnership Agreement or any other material contract required in connection herewith; and
- (iv) to complete, amend or modify any of the foregoing or this Subscription Agreement and to complete any missing information or correct any clerical or other errors in the completion of this Subscription Agreement or any of the foregoing.

7.2 The power of attorney granted herein is irrevocable, is a power coupled with an interest, shall survive the death, disability or other legal incapacity of the Subscriber and shall survive the transfer or assignment, to the extent of the obligations of the Subscriber under the Partnership Agreement or hereunder, by the Subscriber of the whole or any part of the interest of the Subscriber in the Limited Partnership and extends to the heirs, executors, administrators, successors and assigns of the Subscriber and may be exercised by the General Partner, on behalf of the Subscriber, by executing any instrument as with a single signature as attorney and agent for all the General Partner's executing such instrument or by such other form of execution as the General Partner may determine, and it shall not be necessary for the General Partner to execute any document or instrument under seal, however the General Partner may, in its discretion, execute documents or instruments under seal.

7.3 The Subscriber agrees to be bound by any representations and actions made or taken in good faith by the General Partner pursuant to this power of attorney in accordance with the terms hereof or in accordance with the Partnership Agreement and the Subscriber hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the General Partner taken in good faith under this power of attorney.

## **8. Fees and Commissions**

8.1 The Subscriber acknowledges and agrees that a portion of the Purchase Price for the Units will be used to pay the organizational and offering expenses of the Limited Partnership as follows:

- (a) up to 8% of the Purchase Price of the Units will be used to pay fees or commissions to a broker, selling agent, or finder; and
- (b) 5% of the Purchase Price of the Units will be paid to the General Partner for marketing expenses, professional fees, regulatory compliance fees and other fees and expenses incurred by the General Partner in connection with the organization of the Limited Partnership and the offering, all as disclosed in the Offering Memorandum.

**9. Withdrawal of Subscription**

- 9.1 The Subscriber has a two day cancellation right and may cancel this Agreement by sending notice to the Limited Partnership by midnight on the second business day after the Subscriber delivers this Subscription Agreement to the Limited Partnership.

**10. Use of Personal Information**

- 10.1 The Subscriber hereby acknowledges and consents to: (i) the disclosure by the Limited Partnership of Personal Information concerning the Subscriber to the Commissions or any other regulatory authority (under the authority granted by securities legislation, where applicable), (collectively referred to in this section as the “**Securities Authorities**”); and (ii) the indirect collection, use and disclosure of Personal Information by the Securities Authorities for the following purposes (or as otherwise identified by the Securities Authorities, from time to time):
- (a) to conduct background checks;
  - (b) to verify the Personal Information that has been provided about the Subscriber;
  - (c) to consider the suitability of the Subscriber as a holder of securities of the Limited Partnership;
  - (d) to provide disclosure to market participants as to the security holdings of the Limited Partnership’s security holders, and their involvement with any other reporting issuers, issuers subject to a cease trade order or bankruptcy, and information respecting penalties, sanctions or personal bankruptcies, and possible conflicts of interest with the Limited Partnership;
  - (e) to detect and prevent fraud;
  - (f) to conduct enforcement proceedings or otherwise administer and enforce securities legislation; and
  - (g) to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Securities Authorities, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.
- 10.2 Herein, “**Personal Information**” means any information about the Subscriber required to be disclosed to a Securities Authority, whether pursuant to a mandated form or a request made by a Securities Authority.

**11. General**

- 11.1 The Subscriber acknowledges and agrees that all costs and expenses incurred by the Subscriber relating to the purchase of the Units shall be borne by the Subscriber.
- 11.2 This Subscription Agreement is governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Subscriber, in its personal or corporate capacity and, if applicable, on behalf of each beneficial purchaser for whom it is acting, irrevocably attorns to the jurisdiction of the Province of British Columbia.
- 11.3 This Subscription Agreement, including without limitation the representations, warranties and covenants contained herein, shall survive and continue in full force and effect and be binding upon the parties hereto notwithstanding the completion of the purchase of the Units by the Subscriber pursuant hereto.

- 11.4 This Subscription Agreement is not transferable or assignable.
- 11.5 The invalidity or unenforceability of any particular provision of this Subscription Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Subscription Agreement.
- 11.6 Except as expressly provided in this Subscription Agreement and in the agreements, instruments and other documents contemplated or provided for herein, this Subscription Agreement contains the entire agreement between the parties with respect to the sale of the Units and there are no other terms, conditions, representations or warranties, whether expressed, implied, oral or written, by statute or common law, by the General Partner or Limited Partnership or by anyone else.
- 11.7 All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Subscriber shall be directed to the address on page 1 of this Subscription Agreement and notices to the General Partner shall be directed to Suite 1290, 625 Howe Street, Vancouver, British Columbia, V6C 2T6.
- 11.8 This Subscription Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall constitute an original and all of which together shall constitute one instrument. Delivery of an executed copy of this Agreement by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Agreement as of the date hereinafter set forth.
- 11.9 The Subscriber hereby acknowledges that he or she will deliver to the General Partner all such additional completed forms in respect of the Subscriber's purchase of the Units as may be required for filing with the appropriate securities commissions and regulatory authorities.

**EXHIBIT B**

**RISK ACKNOWLEDGEMENT FORM  
TO BE COMPLETED BY ALL SUBSCRIBERS**

**RISK ACKNOWLEDGEMENT – FORM 45-106F4**

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the Offering Memorandum.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- The securities are redeemable, but I may only be able to redeem them in limited circumstances.
- The Units offered pursuant to this Offering Memorandum are unsecured and are not insured against loss through the Canadian Deposit Insurance Corporation or any other insurance company or program.
- I could lose all the money I invest.

I am investing \$\_\_\_\_\_ in total, this includes any amounts I am obligated to pay in the future.

Where allowed by applicable securities legislation, the Limited Partnership intends to offer compensation of up to **8%** of the gross proceeds realized on the sale of Units under this Offering to any one of, or a combination of, the following parties: unrelated investment dealers, unrelated Exempt Market Dealers and/or their dealing representatives, parties related to the Limited Partnership, employees and/or contractors of such parties, and officers and directors of the General Partner.

**I acknowledge that this is a risky investment and that I could lose all the money I invest.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Print name of Purchaser

**Sign 2 copies of this document. Keep one copy for your records.**

**W  
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**You have 2 business days to cancel your purchase**

To do so, send a notice to Permex Petroleum Limited Partnership stating that you want to cancel your purchase. You must deliver the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to Permex Petroleum Limited Partnership at its business address. Keep a copy of the notice for your records.

**Issuer Name:**

Address:

Phone #:

Fax #:

Email:

**Permex Petroleum Limited Partnership**

Suite 1290, 625 Howe Street

Vancouver, BC, V6C 2T6

(604) 259-2525

(604) 674-5113

info@energyresourcescorp.ca

## You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

## You will receive an Offering Memorandum

Read the Offering Memorandum carefully because it has important information about the issuer and its securities. Keep the Offering Memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

## The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

## The issuer of your securities is a non-reporting issuer

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, contact your local securities regulatory authority or regulator.

<b>British Columbia Securities Commission</b>	<b>Manitoba Securities Commission</b>
701 West Georgia Street PO Box 10142, Pacific Centre Vancouver, BC V7Y 1L2 Phone: 604-899-6854 Fax: 604-899-6506 <a href="http://www.bcsc.bc.ca">www.bcsc.bc.ca</a>	400 Saint Mary Avenue Winnipeg, MB R3C 4K5 Phone: 204-945-2548 Fax: 204-945-0330 <a href="http://www.msc.gov.mb.ca">www.msc.gov.mb.ca</a>
<b>Financial and Consumer Services Commission (New Brunswick)</b>	<b>Government of Newfoundland and Labrador Financial Services Regulation Division</b>
85 Charlotte Street, Suite 300 Saint John, New Brunswick E2L 2J2 Telephone: (506) 658-3060 Toll free in Canada: 1-866-933-2222 Facsimile: (506) 658-3059 Email: <a href="mailto:info@fcnb.ca">info@fcnb.ca</a>	P.O. Box 8700 Confederation Building 2nd Floor, West Block Prince Philip Drive St. John's, Newfoundland and Labrador A1B 4J6 Attention: Director of Securities Telephone: (709) 729-4189 Facsimile: (709) 729-6187
<b>Government of the Northwest Territories Office of the Superintendent of Securities</b>	<b>Nova Scotia Securities Commission</b>
P.O. Box 1320 Yellowknife, Northwest Territories X1A 2L9 Attention: Deputy Superintendent, Legal & Enforcement Telephone: (867) 920-8984 Facsimile: (867) 873-0243	Suite 400, 5251 Duke Street Duke Tower P.O. Box 458 Halifax, Nova Scotia B3J 2P8 Telephone: (902) 424-7768 Facsimile: (902) 424-4625

<b>Government of Nunavut Department of Justice</b>	<b>Ontario Securities Commission</b>
Legal Registries Division P.O. Box 1000, Station 570 1st Floor, Brown Building Iqaluit, Nunavut X0A 0H0 Telephone: (867) 975-6590 Facsimile: (867) 975-6594	20 Queen Street West, 22 <sup>nd</sup> Floor Toronto, Ontario M5H 3S8 Telephone: (416) 593- 8314 Toll free in Canada: 1-877-785-1555 Facsimile: (416) 593-8122
<b>Prince Edward Island Securities Office</b>	<b>Autorité des marchés financiers</b>
95 Rochford Street, 4th Floor Shaw Building P.O. Box 2000 Charlottetown, Prince Edward Island C1A 7N8 Telephone: (902) 368-4569 Facsimile: (902) 368-5283	800, Square Victoria, 22e étage C.P. 246, Tour de la Bourse Montréal, Québec H4Z 1G3 Telephone: (514) 395-0337 or 1-877-525-0337 Facsimile: (514) 873-6155 Facsimile: (514) 864-6381
<b>Financial and Consumer Affairs Authority of Saskatchewan</b>	<b>Government of Yukon Department of Community Services</b>
6 <sup>th</sup> Floor, 1919 Saskatchewan Drive Regina, SK S4P 3V7 Phone: 306-787-5645 Fax: 306-787-5899 <a href="http://www.sfs.gov.sk.ca">www.sfs.gov.sk.ca</a>	Law Centre, 3rd Floor 2130 Second Avenue Whitehorse, Yukon Y1A 5H6 Telephone: (867) 667-5314 Facsimile: (867) 393-6251

**Instructions: The purchaser must sign 2 copies of this form.**

**The purchaser and the issuer must each receive a signed copy.**

## EXHIBIT C

### TO BE COMPLETED BY INDIVIDUAL INVESTORS RESIDENT IN SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA

#### CLASSIFICATION OF INVESTORS UNDER THE OFFERING MEMORANDUM EXEMPTION

**Instructions:** This EXHIBIT C must be completed together with the Risk Acknowledgement Form attached as EXHIBIT B and the Investment Limits for Investors Under the Offering Memorandum Exemption attached as EXHIBIT D by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 Prospectus Exemptions (NI 45-106) in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia.

#### How you qualify to buy securities under the offering memorandum exemption

Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.

A. You are an eligible investor because:		Your initials
ELIGIBLE INVESTOR	Your net income before taxes was more than \$75,000 in each of the 2 most recent calendar years, and you expect it to be more than \$75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with your spouse, you have net assets worth more than \$400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	

B. You are an eligible investor, as a person described in section 2.3 [ <i>Accredited investor</i> ] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the <i>Securities Act</i> (Ontario), because:		Your initials
ACCREDITED INVESTOR	Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
	Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI 45-106, because:		Your initials
FAMILY, FRIENDS AND BUSINESS ASSOCIATES	<p>You are:</p> <p>1) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a founder of the issuer</p> <p>OR</p> <p>2) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
	<p>You are a family member of _____ <i>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]</i>, who holds the following position at the issuer or an affiliate of the issuer:</p> <p>_____</p> <p>You are the _____ of that person or that person's spouse.</p> <p><i>[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</i></p>	
	<p>You are a close personal friend of _____ <i>[Instruction: Insert the name of your close personal friend]</i>, who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	
	<p>You are a close business associate of _____ <i>[Instruction: Insert the name of your close business associate]</i>, who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	

D. You are not an eligible investor.		Your initials
NOT AN ELIGIBLE INVESTOR	You acknowledge that you are not an eligible investor.	



## EXHIBIT D

### TO BE COMPLETED BY INDIVIDUAL INVESTORS RESIDENT IN SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA

#### INVESTMENT LIMITS FOR INVESTORS UNDER THE OFFERING MEMORANDUM EXEMPTION

Instructions: This EXHIBIT D must be completed together with the Risk Acknowledgement Form attached as EXHIBIT B and Classification of Investors Under the Offering Memorandum Exemption attached as EXHIBIT C by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 Prospectus Exemptions (NI 45-106) in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia.

#### SECTION 1 TO BE COMPLETED BY THE PURCHASER

1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption

You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in EXHIBIT C. Initial the statement that applies to you.

A. You are an eligible investor.		Your initials
ELIGIBLE INVESTOR	As an eligible investor that is an individual, you cannot invest more than <b>\$30,000</b> in all offering memorandum exemption investments made in the previous 12 months, unless you have received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule, that your investment is suitable.	
	Initial one of the following statements:	
	You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$30,000 in all offering memorandum exemption investments made in the previous 12 months.	
	You confirm that you received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule that the following investment is suitable.	
	You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of \$100,000.	

B. You are an eligible investor, as a person described in section 2.3 [ <i>Accredited investor</i> ] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the <i>Securities Act</i> (Ontario).		Your initials
ACCREDITED INVESTOR	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 [ <i>Accredited investor</i> ], you are not subject to investment limits.	

C. You are an eligible investor, as a person described in section 2.5 <i>[Family, friends and business associates]</i> of NI 45-106.		Your initials
<b>FAMILY, FRIENDS AND BUSINESS ASSOCIATES</b>	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.5 <i>[Family, friends and business associates]</i> , you are not subject to investment limits.	

SECTION 2 TO BE COMPLETED BY THE REGISTRANT	
2. Registrant information	
<i>[Instruction: this section must only be completed if an investor has received advice from a portfolio manager, investment dealer or exempt market dealer concerning his or her investment.]</i>	
First and last name of registrant (please print):	
Registered as: <i>[Instruction: indicate whether registered as a dealing representative or advising representative]</i>	
Telephone:	Email:
Name of firm: <i>[Instruction: indicate whether registered as an exempt market dealer, investment dealer or portfolio manager.]</i>	
Date:	

## EXHIBIT E

### ELIGIBLE INVESTOR REPRESENTATION LETTER (MB, NWT, NU, PEI, YK)

TO BE COMPLETED BY ELIGIBLE INVESTORS RESIDENT IN  
MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, PRINCE EDWARD ISLAND AND YUKON  
WHO ARE SUBSCRIBING FOR MORE THAN \$10,000 IN UNITS

TO: Permex Petroleum Limited Partnership (the "Limited Partnership")  
AND TO: Permex Petroleum Operating Ltd. (the "General Partner")

All money references are in Canadian Dollars.

In connection with the purchase of Limited Partnership Units (the "**Units**") of the Limited Partnership by the undersigned subscriber (the "**Subscriber**"), the Subscriber hereby represents, warrants, covenants and certifies to the Limited Partnership and the General Partner that:

1. The Subscriber is resident in the jurisdiction as set forth on page 1 of this Subscription Agreement or is subject to the securities laws of such jurisdiction;
2. The Subscriber is purchasing the Units as principal for its own account;
3. The Subscriber is an "eligible investor" within the meaning of NI 45-106 by virtue of satisfying the indicated criterion as set out in EXHIBIT F;
4. Upon execution of this EXHIBIT E by the Subscriber, this EXHIBIT E (together with EXHIBIT F, and all other applicable Exhibits) shall be incorporated into and form a part of the Subscription Agreement; and
5. If any of the foregoing representations and warranties ceases to be correct at any time prior to the Closing, the Subscriber will immediately provide written notice to the Limited Partnership and the General Partner.

The foregoing representations, warranties and covenant are true and accurate as of the date of this Eligible Investor Representation Letter (MB, NWT, NU, PEI, YK) and will be true and accurate as of the Closing.

**[THIS SPACE INTENTIONALLY LEFT BLANK.]**

**IN WITNESS WHEREOF**, the undersigned has executed this Eligible Investor Representation Letter (MB, NWT, NU, PEI, YK) as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

**IMPORTANT: YOU MUST MARK THE CATEGORY OR CATEGORIES IN EXHIBIT F, WHICH BEGINS ON THE NEXT PAGE, THAT DESCRIBES HOW YOU QUALIFY AS AN ELIGIBLE INVESTOR, AND COMPLY WITH THE INSTRUCTIONS UNDER SUCH CATEGORY OR CATEGORIES, AS APPLICABLE.**

## EXHIBIT F

### ELIGIBLE INVESTOR STATUS CERTIFICATE (MB, NWT, NU, PEI, YK)

#### TO BE COMPLETED BY ELIGIBLE INVESTORS RESIDENT IN MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, PRINCE EDWARD ISLAND AND YUKON WHO ARE SUBSCRIBING FOR MORE THAN \$10,000 IN UNITS

*The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.*

All money references are in Canadian Dollars.

The Subscriber is (and at the Closing will be) an eligible investor within the meaning of National Instrument 45-106 – *Prospectus Exemptions* by virtue of being **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ELIGIBLE INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	(a)	a <b>person</b> whose <b>net assets</b> , alone or with a <b>spouse</b> , exceed \$400,000,  <i><b>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(b)	a <b>person</b> whose net income before taxes exceeded \$75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, or  <i><b>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(c)	a <b>person</b> whose net income before taxes combined with that of a <b>spouse</b> exceeded \$125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year,  <i><b>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(d)	a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>eligible investors</b> ,  <i><b>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Eligible Investor Status Certificate and (ii) if such beneficial owner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(e)	a <b>person</b> of which a majority of the <b>directors</b> are <b>eligible investors</b> ,  <i><b>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of such directors complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities</b></i>

		<b>legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor Status Certificate and (ii) if such director is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</b>
	(f)	<p>a general partnership in which all of the partners are <b>eligible investors</b>,</p> <p><b><i>[Instructions: Please include a register of partners (or equivalent) showing the names of all partners and have each owner complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i></b></p>
	(g)	<p>a limited partnership in which the majority of the general partners are <b>eligible investors</b>,</p> <p><b><i>[Instructions: Please include a register of general partners (or equivalent) showing the names of all general partners and have each owner complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i></b></p>
	(h)	<p>a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are <b>eligible investors</b>,</p> <p><b><i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries OR a majority of the trustees or executors complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such beneficiary, trustee or executor is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i></b></p>
	(i)	<p>an <b>accredited investor</b>,</p> <p><b><i>[Instructions: Please complete, date and execute the Underlying Accredited Investor Status Certificate attached as EXHIBIT K, and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Accredited Investor Status Certificate.]</i></b></p>
	(j)	a <b>director, executive officer or control person</b> of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.
	(k)	a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.
	(l)	a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer or control person</b> of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.

	(m)	<p>a <b>spouse</b>, parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p>
	(n)	<p>a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p>
	(o)	<p>a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p>
	(p)	<p>a <b>close personal friend</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p>_____</p>
	(q)	<p>a <b>close personal friend</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p>_____</p>
	(r)	<p>a <b>close business associate</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p>_____</p>
	(s)	<p>a <b>close business associate</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of</i></p>

		<p><b>the relationship described above:</b>_____</p> <p>_____ ]</p>
	(t)	<p>a <b>founder</b> of the Limited Partnership or a <b>spouse</b>, parent, grandparent, brother, sister, child, grandchild, <b>close personal friend</b> or <b>close business associate</b> of _____, a <b>founder</b> of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:</b>_____</p> <p>_____ ]</p>
	(u)	<p>a parent, grandparent, brother, sister, child or grandchild of a <b>spouse</b> of _____, a <b>founder</b> of the Limited Partnership and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p>
	(v)	<p>a <b>person</b> of which a majority of the voting securities are beneficially owned by persons described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</b></p>
	(w)	<p>a <b>person</b> of which a majority of the <b>directors</b> are persons described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of the directors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</b></p>



	(x)	<p>a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b><i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries or a majority of the trustees or executors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p>
	(y)	<p>in Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon, a person that has obtained advice regarding the suitability of the investment and if the person is resident in a jurisdiction of Canada, that advice has been obtained from an <b>eligibility adviser</b>.</p> <p><b><i>[Instructions: Please provide the name, firm (if applicable) and contact information of the eligibility adviser that provided such advice:</i></b></p> <p><b><i>Name:</i></b> _____</p> <p><b><i>Firm:</i></b> _____</p> <p><b><i>Telephone number:</i></b> _____</p>

IN WITNESS WHEREOF, the undersigned has executed this Eligible Investor Status Certificate (MB, NWT, NU, PEI, YK) as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

For the purposes hereof, the following definitions are included for convenience:

**"accredited investor"** means a person who meets the criteria in at least one of Items a through w, in the table set out in the Underlying Accredited Investor Status Certificate attached as EXHIBIT K.

**"close business associate"** is an individual who has had sufficient prior business dealings with a director, executive officer, founder or control person of the issuer to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close business associate solely because the individual is (a) a member of the same club, organization, association or religious group, (b) a co-worker, colleague or associate at the same workplace, (c) a client, customer, former client or former customer, (d) a mere acquaintance, or (e) connected through some form of social media, such as Facebook, Twitter or LinkedIn.

**"close personal friend"** of a director, executive officer, founder or control person of an issuer is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close personal friend solely because the individual is (a) a relative, (b) a member of the same club, organization, association or religious group, (c) a co-worker, colleague or associate at the same workplace, (d) a client, customer, former client or former customer, (e) a mere acquaintance, or (f) connected through some form of social media, such as Facebook, Twitter or LinkedIn;

**"control person"** means

- (i) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or
- (ii) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer,

and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

**"director"** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**"eligibility advisor"** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction off Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - a. have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - b. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**"eligible investor"** means a person who meets the criteria in at least one of Items (a) through (y), in the table above.

**"executive officer"** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer.

**"founder"** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer.

**"net assets"** includes all of the Subscriber's total assets minus all of the Subscriber's total liabilities; as a result, the calculation of total assets would include the value of the Subscriber personal residence or other real estate and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence or other real estate; income tax should also be considered a liability if the obligation to pay it is outstanding at the Closing;

**"person"** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative; and

**"spouse"** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

**EXHIBIT G**

**ELIGIBLE INVESTOR REPRESENTATION LETTER  
(SK, ON, QU, NB, NS)**

**TO BE COMPLETED BY ELIGIBLE INVESTORS RESIDENT IN  
SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA  
WHO ARE SUBSCRIBING FOR MORE THAN \$10,000 IN UNITS**

**TO: Permex Petroleum Limited Partnership (the "Limited Partnership")**  
**AND TO: Permex Petroleum Operating Ltd. (the "General Partner")**

All money references are in Canadian Dollars.

In connection with the purchase of Limited Partnership Units (the "**Units**") of the Limited Partnership by the undersigned subscriber (the "**Subscriber**"), the Subscriber hereby represents, warrants, covenants and certifies to the Limited Partnership and the General Partner that:

1. The Subscriber is resident in the jurisdiction as set forth on page 1 of this Subscription Agreement or is subject to the securities laws of such jurisdiction;
2. The Subscriber is purchasing the Units as principal for its own account;
3. The Subscriber is an "eligible investor" within the meaning of NI 45-106 by virtue of satisfying the indicated criterion as set out in EXHIBIT H to this Eligible Investor Representation Letter and is **[check the appropriate box]**

- (a) the Subscriber is not an individual, ☐
- (b) the acquisition cost of all securities acquired by the Subscriber in its capacity as an "eligible investor", as such term is defined in the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, does not exceed \$30,000, or ☐
- (c) the Subscriber received investment advice from the portfolio manager, investment dealer or exempt market dealer named below, that the investment in the Units is suitable for the Subscriber and the acquisition cost of all securities acquired by the Subscriber in its capacity as an "eligible investor", as such term is defined in the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, does not exceed \$100,000; ☐

**IF ITEM (c) IS CHECKED**, please print the name, firm (if applicable) and contact information of the portfolio manager, investment dealer or exempt market dealer who provided suitability advice below.

NAME: \_\_\_\_\_

FIRM: \_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_

4. Upon execution of this EXHIBIT G by the Subscriber, this EXHIBIT G (together with EXHIBIT H, and all other applicable Exhibits) shall be incorporated into and form a part of the Subscription Agreement; and
5. If any of the foregoing representations and warranties ceases to be correct at any time prior to the Closing, the Subscriber will immediately provide written notice to the Limited Partnership and the General Partner.

The foregoing representations, warranties and covenant are true and accurate as of the date of this Eligible Investor Representation Letter (SK, ON, QU, NB, NS) and will be true and accurate as of the Closing.

**IN WITNESS WHEREOF**, the undersigned has executed this Eligible Investor Representation Letter (SK, ON, QU, NB, NS) as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

**IMPORTANT: YOU MUST MARK THE CATEGORY OR CATEGORIES IN EXHIBIT H, WHICH BEGINS ON THE NEXT PAGE, THAT DESCRIBES HOW YOU QUALIFY AS AN ELIGIBLE INVESTOR, AND COMPLY WITH THE INSTRUCTIONS UNDER SUCH CATEGORY OR CATEGORIES, AS APPLICABLE.**

## EXHIBIT H

### ELIGIBLE INVESTOR STATUS CERTIFICATE (SK, ON, QU, NB, NS)

#### TO BE COMPLETED BY ELIGIBLE INVESTORS RESIDENT IN SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA WHO ARE SUBSCRIBING FOR MORE THAN \$10,000 IN UNITS

*The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.*

All money references are in Canadian Dollars.

The Subscriber is (and at the Closing will be) an eligible investor within the meaning of National Instrument 45-106 – *Prospectus Exemptions* by virtue of being **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ELIGIBLE INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	(a)	a <b>person</b> whose <b>net assets</b> , alone or with a <b>spouse</b> , exceed \$400,000,  <i><b>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(b)	a <b>person</b> whose net income before taxes exceeded \$75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, or  <i><b>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(c)	a <b>person</b> whose net income before taxes combined with that of a <b>spouse</b> exceeded \$125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year,  <i><b>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(d)	a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>eligible investors</b> ,  <i><b>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Eligible Investor Status Certificate and (ii) if such beneficial owner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(e)	a <b>person</b> of which a majority of the <b>directors</b> are <b>eligible investors</b> ,  <i><b>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of such directors complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities</b></i>

		<b>legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor Status Certificate and (ii) if such director is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</b>
	(f)	<p>a general partnership in which all of the partners are <b>eligible investors</b>,</p> <p><b>[Instructions: Please include a register of partners (or equivalent) showing the names of all partners and have each owner complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</b></p>
	(g)	<p>a limited partnership in which the majority of the general partners are <b>eligible investors</b>,</p> <p><b>[Instructions: Please include a register of general partners (or equivalent) showing the names of all general partners and have each owner complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</b></p>
	(h)	<p>a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are <b>eligible investors</b>,</p> <p><b>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries OR a majority of the trustees or executors complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such beneficiary, trustee or executor is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</b></p>
	(i)	<p>an <b>accredited investor</b>,</p> <p><b>[Instructions: Please complete, date and execute the Underlying Accredited Investor Status Certificate attached as EXHIBIT K, and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Accredited Investor Status Certificate.]</b></p>
	(j)	is a <b>director, executive officer or control person</b> of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.
	(k)	is a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.
	(l)	is a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer or control person</b> of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.

	(m)	<p>is a <b>spouse</b>, parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p>
	(n)	<p>is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p>
	(o)	<p>is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p>
	(p)	<p>is a <b>close personal friend</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p> <p><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</b></p>
	(q)	<p>is a <b>close personal friend</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p> <p><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</b></p>
	(r)	<p>is a <b>close business associate</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p>



		<p>_____ ]</p> <p>_____ ]</p> <p><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</b></p>
	(s)	<p>is a <b>close business associate</b> of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____ ]</b></p> <p>_____ ]</p> <p><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</b></p>
	(t)	<p>is a <b>founder</b> of the Limited Partnership or a <b>spouse, parent, grandparent, brother, sister, child, grandchild, close personal friend or close business associate</b> of _____, a <b>founder</b> of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____ ]</b></p> <p>_____ ]</p> <p><b>[Instructions: If the Subscriber is resident in Saskatchewan and the relationship described above is a close personal friendship or a close business association with a founder of the Limited Partnership, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</b></p>
	(u)	<p>is a parent, grandparent, brother, sister, child or grandchild of a <b>spouse</b> of _____, a <b>founder</b> of the Limited Partnership, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Limited Partnership or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p>
	(v)	<p>is a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>persons</b> described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and</b></p>

		<p><b><i>provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p> <p><b><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></b></p>
	(w)	<p>is a <b>person</b> of which a majority of the <b>directors</b> are persons described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b><i>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of the directors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p> <p><b><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></b></p>
	(x)	<p>is a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Limited Partner or an affiliate of the Limited Partnership in connection with the Subscriber's purchase of Units.</p> <p><b><i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries or a majority of the trustees or executors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p> <p><b><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></b></p>

[THIS SPACE INTENTIONALLY LEFT BLANK.]

**IN WITNESS WHEREOF, the undersigned has executed this Eligible Investor Status Certificate (SK, ON, QU, NB, NS) as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_\_.**

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Signature of individual (if Subscriber **is** an individual)

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Authorized signatory (if Subscriber **is not** an individual)

---

Name of Subscriber **(please print)**

---

Name of authorized signatory **(please print)**

---

Official capacity of authorized signatory **(please print)**

For the purposes hereof, the following definitions are included for convenience:

**"accredited investor"** means a person who meets the criteria in at least one of Items a through w, in the table set out in the Underlying Accredited Investor Status Certificate attached as EXHIBIT K.

**"close business associate"** is an individual who has had sufficient prior business dealings with a director, executive officer, founder or control person of the issuer to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close business associate solely because the individual is (a) a member of the same club, organization, association or religious group, (b) a co-worker, colleague or associate at the same workplace, (c) a client, customer, former client or former customer, (d) a mere acquaintance, or (e) connected through some form of social media, such as Facebook, Twitter or LinkedIn.

**"close personal friend"** of a director, executive officer, founder or control person of an issuer is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close personal friend solely because the individual is (a) a relative, (b) a member of the same club, organization, association or religious group, (c) a co-worker, colleague or associate at the same workplace, (d) a client, customer, former client or former customer, (e) a mere acquaintance, or (f) connected through some form of social media, such as Facebook, Twitter or LinkedIn;

**"control person"** means

- (i) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or
- (ii) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer,

and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

**“director”** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**“eligibility advisor”** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction off Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - c. have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - d. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**“eligible investor”** means a person who meets the criteria in at least one of Items (a) through (x), in the table above.

**“executive officer”** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer.

**“founder”** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer.

**“net assets”** includes all of the Subscriber's total assets minus all of the Subscriber's total liabilities; as a result, the calculation of total assets would include the value of the Subscriber personal residence or other real estate and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence or other real estate; income tax should also be considered a liability if the obligation to pay it is outstanding at the Closing;

**“person”** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative; and

**“spouse”** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or

- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

## EXHIBIT I

### ELIGIBLE INVESTOR PROFILE

Securities legislation requires that the Limited Partnership obtain detailed information about its investors. We collect and maintain your personal information in order to allow us to establish your identity and verify your Eligible Investor status. Please fill in **ALL** parts of the form that begins on the next page, or indicate "Not Applicable" and **DO NOT LEAVE ANY AREAS BLANK**. Please advise the Limited Partnership whenever there is any change to this information.

<b>INVESTOR INFORMATION:</b>				
<input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Dr.				
First Name:		Last Name:		
Province / Territory of Residency:				
Residential Address:		City	Province	Postal Code
Home Phone #	Business Phone #	Cell #	Fax #	
Employment Status				
<input type="checkbox"/> Employed <input type="checkbox"/> Self Employed <input type="checkbox"/> Student <input type="checkbox"/> Homemaker <input type="checkbox"/> Unemployed <input type="checkbox"/> Retired (Please indicate previous employment information)				
Occupation	Employer's Name	Employer Address	Type of Business	Years with Employer
Spouse's Name <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Dr.		Occupation of Spouse	Spouse's Employer's Name	Years with Employer
First Name:                      Last Name:				
<b>INVESTOR PROFILE – Please check all applicable boxes</b>				
<b>Net Assets</b> (net financial assets + fixed and long term assets – liabilities incurred or assumed to finance acquisition of fixed or long term assets or liabilities secured by fixed or long term assets)				
<input type="checkbox"/> Less than \$400,000, Individual with or without spouse <input type="checkbox"/> More than \$400,000, Individual with or without spouse				
<b>Net Income</b> (Net Income before tax in each of the 2 most recent calendar years, and expected Net Income from the current calendar year)				
<b>2015</b>		<b>2016</b>		<b>Expected 2017</b>
<input type="checkbox"/> Less than \$75,000 individual only		<input type="checkbox"/> Less than \$75,000 individual only		<input type="checkbox"/> Less than \$75,000 individual only
<input type="checkbox"/> More than \$75,000 individual only		<input type="checkbox"/> More than \$75,000 individual only		<input type="checkbox"/> More than \$75,000 individual only
<input type="checkbox"/> Less than \$125,000 combined individual and spouse		<input type="checkbox"/> Less than \$125,000 combined individual and spouse		<input type="checkbox"/> Less than \$125,000 combined individual and spouse
<input type="checkbox"/> More than \$125,000 combined individual and spouse		<input type="checkbox"/> More than \$125,000 combined individual and spouse		<input type="checkbox"/> More than \$125,000 combined individual and spouse
The above information is true and complete.		DATE		
<b>X</b>  _____ <b>INVESTOR SIGNATURE</b>				

1. We are obliged to verify the identity of our investors in accordance with applicable securities legislation and appreciate your understanding and cooperation in meeting this requirement.
2. All investor information is considered confidential and is protected by the *Personal Information Protection and Electronic Documents Act* (PIPEDA). We will not disclose any such information except in response to a legally enforceable demand or to bona fide regulatory authorities with jurisdiction over Permex Petroleum Limited Partnership or Permex Petroleum Operating Ltd.

## EXHIBIT J

### UNDERLYING ELIGIBLE INVESTOR STATUS CERTIFICATE

The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.

All money references are in Canadian Dollars.

The undersigned is \_\_\_\_\_ [fill in or circle one of the following: a shareholder, a director, a partner of a general partnership, a general partner of a limited partnership, a beneficiary of a trust or a trustee or an executor of an estate] of the Subscriber and is (and at the Closing will be) an "eligible investor" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, by virtue of being **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ELIGIBLE INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	(a)	a <b>person</b> whose <b>net assets</b> , alone or with a <b>spouse</b> , exceed \$400,000,  <i>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(b)	a <b>person</b> whose net income before taxes exceeded \$75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, or  <i>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(c)	a <b>person</b> whose net income before taxes combined with that of a <b>spouse</b> exceeded \$125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year,  <i>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(d)	a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>eligible investors</b> ,  <i>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute (i) a copy of this Underlying Eligible Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Eligible Investor Status Certificate and (ii) if such beneficial owner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(e)	a <b>person</b> of which a majority of the <b>directors</b> are <b>eligible investors</b> ,  <i>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of such directors complete, date and execute (i) a copy of this Underlying Eligible Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Eligible Investor Status Certificate and (ii) if such director is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>

	(f)	<p>a general partnership in which all of the partners are <b>eligible investors</b>,</p> <p><i>[Instructions: Please include a register of partners (or equivalent) showing the names of all partners and have each partner complete, date and execute (i) a copy of this Underlying Eligible Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in this Underlying Eligible Investor Status Certificate and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i></p>
	(g)	<p>a limited partnership in which the majority of the general partners are <b>eligible investors</b>,</p> <p><i>[Instructions: Please include a register of general partners (or equivalent) showing the names of all general partners and have a majority of the partners complete, date and execute (i) a copy of this Underlying Eligible Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in this Underlying Eligible Investor Status Certificate, and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i></p>
	(h)	<p>a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are <b>eligible investors</b>,</p> <p><i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries or a majority of the trustees or executors complete, date and execute (i) a copy of this Underlying Eligible Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in this Underlying Eligible Investor Status Certificate, and (ii) if such beneficiary, trustee or executor is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i></p>
	(i)	<p>an <b>accredited investor</b>,</p> <p><i>[Instructions: Please complete, date and execute the Underlying Accredited Investor Status Certificate attached as EXHIBIT K, and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Accredited Investor Status Certificate.]</i></p>
	(j)	and is a <b>director, executive officer or control person</b> of the Limited Partnership
	(k)	and is a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership
	(l)	and is a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer or control person</b> of the Limited Partnership
	(m)	and is a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership
	(n)	and is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer or control person</b> of the Limited Partnership



	(o)	<p>and is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership</p>
	(p)	<p>and is a <b>close personal friend</b> of _____, a <b>director, executive officer or control person</b> of the Limited Partnership</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(q)	<p>and is a <b>close personal friend</b> of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(r)	<p>and is a <b>close business associate</b> of _____, a <b>director, executive officer or control person</b> of the Limited Partnership</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(s)	<p>and is a <b>close business associate</b> of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Limited Partnership</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>

	(t)	<p>and is a <b>founder</b> of the Limited Partnership or a <b>spouse</b>, parent, grandparent, brother, sister, child, grandchild, <b>close personal friend</b> or <b>close business associate</b> of _____, a <b>founder</b> of the Limited Partnership</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above: _____]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and the relationship described above is a close personal friendship or a close business association with a founder of the Limited Partnership, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(u)	<p>and is a parent, grandparent, brother, sister, child or grandchild of a <b>spouse</b> of _____, a <b>founder</b> of the Limited Partnership</p>
	(v)	<p>and is a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>persons</b> described in paragraphs (j) to (u), above</p> <p><i>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(w)	<p>and is a <b>person</b> of which a majority of the <b>directors</b> are persons described in paragraphs (j) to (u), above</p> <p><i>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of the directors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>

	(x)	<p>and is a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (j) to (u), above</p> <p><b><i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries or a majority of the trustees or executors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p> <p><b><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></b></p>
	(y)	<p>in Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon, a person that has obtained advice regarding the suitability of the investment and if the person is resident in a jurisdiction of Canada, that advice has been obtained from an <b>eligibility adviser</b>.</p> <p><b><i>[Instructions: Please provide the name, firm (if applicable) and contact information of the eligibility adviser that provided such advice:</i></b></p> <p><b>Name:</b> _____</p> <p><b>Firm:</b> _____</p> <p><b>Telephone number:</b> _____</p>

**IN WITNESS WHEREOF**, the undersigned has executed this Underlying Eligible Investor Status Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

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Signature of individual (if Subscriber **is** an individual)

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Authorized signatory (if Subscriber **is not** an individual)

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Name of Subscriber **(please print)**

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Name of authorized signatory **(please print)**

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Official capacity of authorized signatory **(please print)**

For the purposes hereof, the following definitions are included for convenience:

**"accredited investor"** means a person who meets the criteria in at least one of Items a through w, in the table set out in the Underlying Accredited Investor Status Certificate attached as EXHIBIT K.

**"close business associate"** is an individual who has had sufficient prior business dealings with a director, executive officer, founder or control person of the issuer to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close business associate solely because the individual is (a) a member of the same club, organization, association or religious group, (b) a co-worker, colleague or associate at the same workplace, (c) a client, customer, former client or former customer, (d) a mere acquaintance, or (e) connected through some form of social media, such as Facebook, Twitter or LinkedIn.

**"close personal friend"** of a director, executive officer, founder or control person of an issuer is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close personal friend solely because the individual is (a) a relative, (b) a member of the same club, organization, association or religious group, (c) a co-worker, colleague or associate at the same workplace, (d) a client, customer, former client or former customer, (e) a mere acquaintance, or (f) connected through some form of social media, such as Facebook, Twitter or LinkedIn;

**"control person"** means

- (i) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or
- (ii) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer,

and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

**"director"** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**"eligibility advisor"** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction off Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - a. have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - b. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**"eligible investor"** means a person who meets the criteria in at least one of Items (a) through (y), in the table above.

**"executive officer"** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer.

**"founder"** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer.

**"net assets"** includes all of the Subscriber's total assets minus all of the Subscriber's total liabilities; as a result, the calculation of total assets would include the value of the Subscriber personal residence or other real estate and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence or other real estate; income tax should also be considered a liability if the obligation to pay it is outstanding at the Closing;

**"person"** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative; and

**"spouse"** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

## EXHIBIT K

### UNDERLYING ACCREDITED INVESTOR STATUS CERTIFICATE

*The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.*

All money references are in Canadian Dollars.

The undersigned is **[check the appropriate box]**

- ☐ \_\_\_\_\_ **[fill in or circle one of the following:** a shareholder, a trustee or a settlor] of the Subscriber, or
- ☐ a Subscriber who has initialed the box beside either Item (i) on the Eligible Investor Status Certificate (MB, NWT, NU, PEI, YK) attached as EXHIBIT F, or Item (i) on the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, or
- ☐ a Subscriber who has initialed the box beside Item (i) on the Underlying Eligible Investor Status Certificate attached as EXHIBIT K,

and is (and at the Closing will be) an “accredited investor” within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, by virtue of being **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	a.	a <b>Canadian financial institution</b> , or a <b>Schedule III bank</b> ;
	b.	the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);
	c.	a <b>subsidiary</b> of any <b>person</b> referred to in paragraphs (a), (a.1) or (b), if the <b>person</b> owns all of the voting securities of the <b>subsidiary</b> , except the voting securities required by law to be owned by <b>directors</b> of that subsidiary;
	d.	a <b>person</b> registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;  <b>[Instructions: Please include proof of registration.]</b>
	e.	an <b>individual</b> registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);  <b>[Instructions: Please include proof of registration.]</b>
	e.1	an <b>individual</b> formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as an representative of a limited market dealer under one or both of the Securities Act (Ontario) or the Securities Act (Newfoundland and Labrador);  <b>[Instructions: Please include proof of former registration.]</b>
	f.	the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
	g.	a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;

	h.	any national, federal, state, provincial, territorial or municipal government of or in any <b>foreign jurisdiction</b> , or any agency of that government;
	i.	a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;
	j.	<p>an <b>individual</b> who, either alone or with a <b>spouse</b>, beneficially owns <b>financial assets</b> having an aggregate realizable value that before taxes, but net of any <b>related liabilities</b>, exceeds \$1,000,000;</p> <p><b>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT L.]</b></p>
	j.1.	<p>an <b>individual</b> who beneficially owns <b>financial assets</b> having an aggregate realizable value that, before taxes but net of any <b>related liabilities</b>, exceeds \$5,000,000;</p> <p><b>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT L.]</b></p>
	k.	<p>an <b>individual</b> whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a <b>spouse</b> exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;</p> <p><b>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT L.]</b></p>
	l.	<p>an <b>individual</b> who, either alone or with a <b>spouse</b>, has <b>net assets</b> of at least \$5,000,000;</p> <p><b>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT L.]</b></p>
	m.	<p>a <b>person</b>, other than an <b>individual</b> or <b>investment fund</b>, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements (prepared in accordance with applicable generally accepted accounting principles);</p> <p><b>[Note: a person is not eligible under this paragraph m if it was created or is being used solely to purchase or hold securities as an accredited investor in reliance upon this paragraph.]</b></p> <p><b>[Instructions: Please include a copy of your most recently prepared financial statements.]</b></p>
	n.	<p>an <b>investment fund</b> that distributes or has distributed its securities only to</p> <ul style="list-style-type: none"> <li>(i) a <b>person</b> that is or was an accredited investor at the time of the distribution,</li> <li>(ii) a <b>person</b> that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment], or 2.19 [Additional investment in investment funds] of the <b>instrument</b> or their equivalents under securities legislation of an applicable jurisdiction as specified in sections 8.1 and 8.2 of the <b>instrument</b>, or</li> <li>(iii) a <b>person</b> described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [Investment fund reinvestment] of the <b>instrument</b>;</li> </ul> <p><b>[Instructions: Please provide a list of securityholders and for each securityholder</b></p>



		<b>confirm which category of accredited investor he/she/it purchased the securities of the investment fund under and either provide evidence of (i) the purchaser's accredited investor status on the date of subscription or (ii) amount of aggregate subscription cost. We may ask for additional documentation.]</b>
	o.	an <b>investment fund</b> that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;
	p.	a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a <b>foreign jurisdiction</b> , acting on behalf of a <b>fully managed account</b> managed by the trust company or trust corporation, as the case may be;  <b>[Instructions: Please include proof of registration or authorization to carry on business.]</b>
	q.	a <b>person</b> acting on behalf of a <b>fully managed account</b> managed by that <b>person</b> , if that <b>person</b> is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a <b>foreign jurisdiction</b> ;  <b>[Instructions: Please include proof of registration or authorization to carry on business as an advisor or equivalent.]</b>
	r.	a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an <b>eligibility adviser</b> or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;
	s.	an entity organized in a <b>foreign jurisdiction</b> that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;  <b>[Instructions: If you are analogous to an entity referred to in paragraph (d), please include proof of registration.]</b>
	t.	a <b>person</b> in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by <b>directors</b> , are persons that are <b>accredited investors</b> ;  <b>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have each owner complete, date and execute (i) a copy of this Underlying Accredited Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Accredited Investor Status Certificate, and (ii) if such beneficial owner is an individual, the Accredited Investor Profile attached as EXHIBIT L.]</b>
	u.	an <b>investment fund</b> that is advised by a <b>person</b> registered as an adviser or a <b>person</b> that is exempt from registration as an adviser;  <b>[Instructions: Please include proof of registration or exemption from registration of the person that advises the investment fund.]</b>
	v.	a <b>person</b> that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or  <b>[Instructions: Please include proof of recognition or designation.]</b>

	w.	<p>a trust established by an accredited investor (the "Settlor") for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's <b>spouse</b>, a former <b>spouse</b> of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of the accredited investor, of that accredited investor's <b>spouse</b> or of that accredited investor's former <b>spouse</b>.</p> <p><b><i>[Instructions: Please include a copy of the trust agreement establishing the trust and have the Settlor and a majority of the trustees complete, date and execute (i) a copy of this Underlying Accredited Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Accredited Investor Status Certificate, and (ii) if such beneficial owner is an individual, the Accredited Investor Profile attached as EXHIBIT L.]</i></b></p>
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**IN WITNESS WHEREOF**, the undersigned has executed this Underlying Accredited Investor Status Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

For the purposes hereof, the following definitions are included for convenience:

**“Canadian financial institution”** means

- (i) an association governed by the *Cooperative Credit Association Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
- (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

**“company”** means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

**“control”** - a person (first person) is considered to control another person (second person) if

- (i) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
- (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
- (iii) the second person is a limited partnership and the general partner of the limited partnership is the first person.

**“director”** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**“eligibility advisor”** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction off Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - a. have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - b. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**“EVCC”** means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia) and whose business objective is making multiple investments;

**“executive officer”** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer.

**“financial assets”** means

- (i) cash,
- (ii) securities, or
- (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

**NOTE:** the value of an investor's personal residence or other real estate is not included in the calculation of financial assets

**"financial statements"** includes interim financial reports;

**"foreign jurisdiction"** means a country other than Canada or a political subdivision of a country other than Canada;

**"founder"** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer.

**"fully managed account"** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

**"individual"** means a natural person, but does not include a partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust or a natural person in his or her capacity as trustee, executor, administrator or other legal personal representative;

**"instrument"** means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;

**"investment fund"** means a mutual fund or a non-redeemable investment fund, and for greater certainty in British Columbia, includes an EVCC or a VCC;

**"mutual fund"** means an issuer whose primary purpose is to invest money provided by its security holders and whose securities entitle the holder to receive on demand, or within a specified period after the demand, an amount computed by reference to the value of the proportionate interest in the whole or part of the net assets, including a separate fund or trust account, of the issuer;

**"net assets"** includes all of the Subscriber's total assets minus all of the Subscriber's total liabilities; as a result, the calculation of total assets would include the value of the Subscriber personal residence or other real estate and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence or other real estate; income tax should also be considered a liability if the obligation to pay it is outstanding at the Closing;

**"non redeemable investment fund"** means an issuer:

- (i) whose primary purpose is to invest money provided by its securityholders,
- (ii) that does not invest,
  - a. for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or
  - b. for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and
- (iii) that is not a mutual fund;

**"person"** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and

- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

**"related liabilities"** means

- (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
- (ii) liabilities that are secured by financial assets;

**"Schedule III bank"** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

**"spouse"** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

**"subsidiary"** means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary; and

**"VCC"** means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), whose business objective is making multiple investments.

## EXHIBIT L

### ACCREDITED INVESTOR PROFILE

Securities legislation requires that the Limited Partnership obtain detailed information about its investors. We collect and maintain your personal information in order to allow us to establish your identity and verify your Accredited Investor status. Please fill in **ALL** parts of the form that begins on the next page, or indicate "Not Applicable" and **DO NOT LEAVE ANY AREAS BLANK**. Please advise the Limited Partnership whenever there is any change to this information.

<b>INVESTOR INFORMATION:</b>				
<input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Dr.				
First Name:		Last Name:		
Province / Territory of Residency:				
Residential Address:		City	Province	Postal Code
Home Phone #	Business Phone #	Cell #	Fax #	
Employment Status <input type="checkbox"/> Employed <input type="checkbox"/> Self Employed <input type="checkbox"/> Student <input type="checkbox"/> Homemaker <input type="checkbox"/> Unemployed <input type="checkbox"/> Retired (Please indicate previous employment information)				
Occupation	Employer's Name	Employer Address	Type of Business	Years with Employer
Spouse's Name <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Dr. First Name:                      Last Name:		Occupation of Spouse	Spouse's Employer's Name	Years with Employer
<b>INVESTOR PROFILE – Please check all applicable boxes</b>				
<b>Financial assets</b> (cash + insurance contracts + securities + deposits that are not a security – liabilities incurred or assumed to finance acquisition of financial assets or liabilities secured by financial assets)				
<input type="checkbox"/> Less than \$1 Million, Individual with or without spouse <input type="checkbox"/> Between \$1 Million and \$5 Million, Individual with or without spouse <input type="checkbox"/> More than \$5 Million, Individual only				
<b>Net Assets</b> (net financial assets + fixed and long term assets – liabilities incurred or assumed to finance acquisition of fixed or long term assets or liabilities secured by fixed or long term assets)				
<input type="checkbox"/> Less than \$5 Million, Individual with or without spouse <input type="checkbox"/> More than \$5 Million, Individual with or without spouse				
<b>Net Income</b> (Net Income before taxes in each of the 2 most recent calendar years, and expected Net Income before taxes from the current calendar year)				
<b>2015</b>		<b>2016</b>		<b>Expected 2017</b>
<input type="checkbox"/> Less than \$200,000 individual only		<input type="checkbox"/> Less than \$200,000 individual only		<input type="checkbox"/> Less than \$200,000 individual only
<input type="checkbox"/> More than \$200,000 individual only		<input type="checkbox"/> More than \$200,000 individual only		<input type="checkbox"/> More than \$200,000 individual only
<input type="checkbox"/> Less than \$300,000 combined individual and spouse		<input type="checkbox"/> Less than \$300,000 combined individual and spouse		<input type="checkbox"/> Less than \$300,000 combined individual and spouse
<input type="checkbox"/> More than \$300,000 combined individual and spouse		<input type="checkbox"/> More than \$300,000 combined individual and spouse		<input type="checkbox"/> More than \$300,000 combined individual and spouse
The above information is true and complete.		DATE		
<b>X</b> _____ <b>INVESTOR SIGNATURE</b>				

- 
1. We are obliged to verify the identity of our investors in accordance with applicable securities legislation and appreciate your understanding and cooperation in meeting this requirement.
  2. All investor information is considered confidential and is protected by the *Personal Information Protection and Electronic Documents Act* (PIPEDA). We will not disclose any such information except in response to a legally enforceable demand or to bona fide regulatory authorities with jurisdiction over Permex Petroleum Limited Partnership or Permex Petroleum Operating Ltd.
-

## EXHIBIT M

### UNDERLYING FAMILY, FRIENDS AND BUSINESS ASSOCIATES STATUS CERTIFICATE

The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.

All money references are in Canadian Dollars.

The undersigned is \_\_\_\_\_ [fill in or circle one of the following: a shareholder, a beneficiary of a trust or a trustee or an executor of an estate] of the Subscriber and is (and at the Closing will be) **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	(a)	and is a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership
	(b)	and is a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership
	(c)	and is a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership
	(d)	and is a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership
	(e)	and is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership
	(f)	and is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership
	(g)	<p>and is a <b>close personal friend</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p> <p><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</b></p>
	(h)	<p>and is a <b>close personal friend</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p>



		<p>_____ ]</p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(i)	<p>and is a <b>close business associate</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of the Limited Partnership</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p>_____ ]</p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(j)	<p>and is a <b>close business associate</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Limited Partnership</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p>_____ ]</p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(k)	<p>and is a <b>founder</b> of the Limited Partnership or a <b>spouse</b>, parent, grandparent, brother, sister, child, grandchild, <b>close personal friend</b> or <b>close business associate</b> of _____, a <b>founder</b> of the Limited Partnership</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p>_____ ]</p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and the relationship described above is a close personal friendship or a close business association with a founder of the Limited Partnership, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(l)	<p>and is a parent, grandparent, brother, sister, child or grandchild of a <b>spouse</b> of _____, a <b>founder</b> of the Limited Partnership</p>

	(m)	<p>and is a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>persons</b> described in paragraphs (a) to (l), above</p> <p><i>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute a copy of this Underlying Family, Friends and Business Associates Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Family, Friends and Business Associates Status Certificate.]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (a) to (l) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(n)	<p>and is a <b>person</b> of which a majority of the <b>directors</b> are persons described in paragraphs (a) to (l), above</p> <p><i>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of the directors complete, date and execute a copy of this Underlying Family, Friends and Business Associates Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Family, Friends and Business Associates Status Certificate.]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (a) to (l) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>
	(o)	<p>and is a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (a) to (l), above</p> <p><i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries or a majority of the trustees or executors complete, date and execute a copy of this Underlying Family, Friends and Business Associates Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Family, Friends and Business Associates Status Certificate.]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (a) to (l) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Limited Partnership and one copy must be retained for your records.]</i></p>

IN WITNESS WHEREOF, the undersigned has executed this Underlying Family, Friends and Business Associates Status Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

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Signature of individual (if Subscriber **is** an individual)

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Authorized signatory (if Subscriber **is not** an individual)

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Name of Subscriber (**please print**)

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Name of authorized signatory (**please print**)

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Official capacity of authorized signatory (**please print**)

For the purposes hereof, the following definitions are included for convenience:

**"close business associate"** is an individual who has had sufficient prior business dealings with a director, executive officer, founder or control person of the issuer to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close business associate solely because the individual is (a) a member of the same club, organization, association or religious group, (b) a co-worker, colleague or associate at the same workplace, (c) a client, customer, former client or former customer, (d) a mere acquaintance, or (e) connected through some form of social media, such as Facebook, Twitter or LinkedIn.

**"close personal friend"** of a director, executive officer, founder or control person of an issuer is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close personal friend solely because the individual is (a) a relative, (b) a member of the same club, organization, association or religious group, (c) a co-worker, colleague or associate at the same workplace, (d) a client, customer, former client or former customer, (e) a mere acquaintance, or (f) connected through some form of social media, such as Facebook, Twitter or LinkedIn;

**"control"** - a person (first person) is considered to control another person (second person) if

- (i) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
- (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
- (iii) the second person is a limited partnership and the general partner of the limited partnership is the first person.

**"control person"** means

- (i) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or
- (ii) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer,

and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

**"director"** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**"executive officer"** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer.

**"founder"** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer.

**"person"** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

**"spouse"** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

EXHIBIT N

SASKATCHEWAN RISK ACKNOWLEDGEMENT FORM

Form 45-106F5

**Risk Acknowledgement  
Saskatchewan Close Personal Friends and Close Business Associates**

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.
- I do not have a 2-day right to cancel my purchase of these securities or the statutory rights of action for misrepresentation I would have if I were purchasing the securities under a prospectus. I do have a 2-day right to cancel my purchase of these securities if I receive an amended offering document.

I am investing \$\_\_\_\_\_ [total consideration] in total; this includes any amount I am obliged to pay in future.

I am a **close** personal friend or **close** business associate of \_\_\_\_\_  
[state name], who is a \_\_\_\_\_ [state title - founder, director, executive officer  
or control person] of \_\_\_\_\_  
\_\_\_\_\_ [state name of issuer or its affiliate – if an affiliate state “an affiliate  
of the issuer” and give the issuer’s name].

I acknowledge that I am purchasing based on my close relationship with \_\_\_\_\_  
\_\_\_\_\_ [state name of founder, director, executive officer or control  
person] whom I know well enough and for a sufficient period of time to be able to assess  
her/his capabilities and trustworthiness.

**I acknowledge that this is a risky investment and that I could lose all the money I invest.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

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**You are buying Exempt Market Securities**

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. Exempt market securities are more risky than other securities.

**You may not receive any written information about the issuer or its business**

If you have any questions about the issuer or its business, ask for written clarification before you purchase the securities. You should consult your own professional advisers before investing in the securities.

**The issuer of your securities is a non-reporting issuer** A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer. You can only sell the securities of a non-reporting issuer in very limited circumstances. You may never be able to sell these securities.

**The securities you are buying are not listed**

The securities you are buying are not listed on any stock exchange, and they may never be listed. There may be no market for these securities. You may never be able to sell these securities.

For more information on the exempt market, refer to the Saskatchewan Financial Services Commission's website at <http://www.sfsc.gov.sk.ca>.

*[Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.]*

**EXHIBIT O**

**NORTHWEST EXEMPTION RISK ACKNOWLEDGEMENT FORM**

**TO BE EXECUTED WHERE THE PARTY SELLING THE UNITS IS  
NOT REGISTERED UNDER NATIONAL INSTRUMENT 31-103**

If the Units are being sold by a party pursuant to the terms and conditions of the British Columbia Securities Commission Instrument 32-513, Manitoba Securities Commission Blanket Order 31-505 or Saskatchewan Financial Services Commission General Order 45-918, then two copies of this EXHIBIT O must be duly completed, dated and executed. Retain one copy for your records and deliver the other copy to the Limited Partnership.

<b>Risk Acknowledgement Registration Exemption for Trades in Connection with Certain Prospectus Exempt Distributions</b>		<b>W A R N I N G</b>
Name of Issuer: <u>PERMEX PETROLEUM LIMITED PARTNERSHIP</u>		
Name of Seller: _____		
<b>I acknowledge that:</b>		
1. the person selling me these securities is not registered with a securities regulatory authority and is prohibited from telling me that this investment is suitable for me;		
2. the person selling me these securities does not act for me;		
3. this is a risky investment and I could lose all my money; and		
4. I am investing entirely at my own risk.		
_____ Date	_____ Signature of Purchaser	
	_____ Print name of Purchaser	
_____ Name of salesperson acting on behalf of seller		
<b>Sign 2 copies of this document. Keep one copy for your records.</b>		

National Instrument 45-106 *Prospectus Exemptions* may require you to sign an additional risk acknowledgement form. If you want advice about the merits of this investment and whether these securities are a suitable investment for you, contact a registered adviser or dealer.

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**SCHEDULE B**

**TO THE OFFERING MEMORANDUM OF**

**N.A. ENERGY RESOURCES INVESTMENT CORPORATION**

**DATED June 28, 2017**

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**SUBSCRIPTION DOCUMENTS**



N.A. ENERGY RESOURCES INVESTMENT CORPORATION

SUBSCRIPTION DOCUMENTS

Offering Memorandum



## N.A. ENERGY RESOURCES INVESTMENT CORPORATION

### SUBSCRIPTION AGREEMENT

**Please make sure that your subscription includes:**

1. a signed and completed copy of EXHIBIT A to this Subscription Agreement;
2. a certified cheque or bank draft in an amount equal to the Aggregate Subscription Amount, payable to "N.A. Energy Resources Investment Corporation";
3. a properly completed and duly executed copy of the following form, if applicable:

**Northwest Exemption:** if the Subscriber is resident in British Columbia, Manitoba or Saskatchewan, the **Northwest Exemption Risk Acknowledgement Form** attached as EXHIBIT G, dated and executed by the Subscriber if the Class C Shares (as defined herein) are sold to the Subscriber by a party pursuant to the terms and conditions of applicable instruments published by the Canadian Securities Administrators in such province(s) exempting such person from registration in such province(s)

4. properly completed and duly executed copies of the appropriate investor qualification form(s), as described below:
  - (a) **If resident in BRITISH COLUMBIA OR NEWFOUNDLAND AND LABRADOR**, two (2) copies of the **Risk Acknowledgement Form** attached as EXHIBIT B, (one copy of which must be delivered to the Corporation and one copy must be retained for your records).
  - (b) **If resident in Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon,**
    - (i) **and subscribing for \$10,000 OR LESS in Class C Shares,**
      - (A) two (2) copies of the **Risk Acknowledgement Form** attached as EXHIBIT B (one copy of which must be delivered to the Corporation and one copy must be retained for your records); or
    - (ii) **and subscribing for MORE THAN \$10,000 in Class C Shares,**
      - (A) two (2) copies of the **Risk Acknowledgement Form** attached as EXHIBIT B (one copy of which must be delivered to the Corporation and one copy must be retained for your records);
      - (B) the **Eligible Investor Representation Letter (MB, NWT, NU, PEI, YK)** attached as EXHIBIT E,
      - (C) the **Eligible Investor Status Certificate (MB, NWT, NU, PEI, YK)** attached as EXHIBIT F,
      - (D) all other Exhibits, as indicated herein, and
      - (E) the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents.

(c) **If an INDIVIDUAL investor resident in SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA,**

(i) **and subscribing for \$10,000 OR LESS in Class C Shares,**

(A) two (2) copies of each of

- (1) the **Risk Acknowledgement Form** attached as EXHIBIT B;
- (2) the **Classification of Investors Under the Offering Memorandum Exemption** attached as EXHIBIT C; and
- (3) the **Investment Limits for Investors Under the Offering Memorandum Exemption** attached as EXHIBIT D,

(one copy of each such document must be delivered to the Corporation and one copy must be retained for your records), and

(B) if the Subscriber is resident in Saskatchewan and is required to provide such form pursuant to the instructions set out in the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, two (2) copies of the **Saskatchewan Risk Acknowledgement Form** attached as EXHIBIT N (one full copy must be delivered to the Corporation and one copy must be retained for your records), or

(ii) **subscribing for NO MORE THAN \$30,000 in Class C Shares and checked the box beside Item 3(b) to the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H,**

(A) two (2) copies of each of

- (1) the **Risk Acknowledgement Form** attached as EXHIBIT B;
- (2) the **Classification of Investors Under the Offering Memorandum Exemption** attached as EXHIBIT C; and
- (3) the **Investment Limits for Investors Under the Offering Memorandum Exemption** attached as EXHIBIT D,

(one copy of each such document must be delivered to the Corporation and one copy must be retained for your records),

(B) the **Eligible Investor Representation Letter (SK, ON, QU, NB, NS)** attached as EXHIBIT G,

(C) the **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H,

(D) if the Subscriber is resident in Saskatchewan and is required to provide such form pursuant to the instructions set out in the **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H, two (2) copies of the **Saskatchewan Risk Acknowledgement Form** attached as EXHIBIT N (one full copy must be delivered to the Corporation and one copy must be retained for your records);

(E) all other Exhibits, as indicated herein, and

- (F) the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents;
- (iii) **subscribing for NO MORE THAN \$100,000 in Class C Shares and checked the box beside Item 3(c) to the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H,**
- (A) two (2) copies of each of
    - (1) the **Risk Acknowledgement Form** attached as EXHIBIT B;
    - (2) the **Classification of Investors Under the Offering Memorandum Exemption** attached as EXHIBIT C; and
    - (3) the Investment Limits for Investors Under the Offering Memorandum Exemption attached as EXHIBIT D,

(one copy of each such document must be delivered to the Corporation and one copy must be retained for your records),
  - (B) the **Eligible Investor Representation Letter (SK, ON, QU, NB, NS)** attached as EXHIBIT G,
  - (C) the **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H;
  - (D) if the Subscriber is resident in Saskatchewan and is required to provide such form pursuant to the instructions set out in the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, two (2) copies of the **Saskatchewan Risk Acknowledgement Form** attached as EXHIBIT N (one full copy must be delivered to the Corporation and one copy must be retained for your records);
  - (E) all other Exhibits, as indicated herein, and
  - (F) the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents.
- (d) **If a NON-INDIVIDUAL investor (e.g., the investor is a corporate entity or other legal entity that is not an individual) resident in SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA,**
- (i) **which checked the box beside Item 3(a) to the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H,**
    - (A) two (2) copies of the **Risk Acknowledgement Form** attached as EXHIBIT B (one copy of which must be delivered to the Corporation and one copy must be retained for your records), and
    - (B) the **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H, and
  - (ii) if the Subscriber is resident in Saskatchewan and is required to provide such form pursuant to the instructions set out in the **Eligible Investor Status**

**Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H, two (2) copies of the **Saskatchewan Risk Acknowledgement Form** attached as EXHIBIT N (one full copy must be delivered to the Corporation and one copy must be retained for your records).

**PLEASE DELIVER YOUR SUBSCRIPTION TO:**  
**N.A. ENERGY RESOURCES INVESTMENT CORPORATION**  
 Suite 1290, 625 Howe Street  
 Vancouver, BC, V6C 2T6

The following table sets out the various Exhibits hereto:

Reference	Title	Page
EXHIBIT A	Terms and Conditions of Subscription for Units (ALL SUBSCRIBERS)	5
EXHIBIT B	Risk Acknowledgement Form (ALL SUBSCRIBERS)	21
EXHIBIT C	Classification of Investors Under the Offering Memorandum Exemption (SK, ON, QU, NB, NS)	24
EXHIBIT D	Investment Limits for Investors Under the Offering Memorandum Exemption (SK, ON, QU, NB, NS)	26
EXHIBIT E	Eligible Investor Representation Letter (MB, NWT, NU, PEI, YK)	28
EXHIBIT F	Eligible Investor Status Certificate (MB, NWT, NU, PEI, YK)	30
EXHIBIT G	Eligible Investor Representation Letter (SK, ON, QU, NB, NS)	37
EXHIBIT H	Eligible Investor Status Certificate (SK, ON, QU, NB, NS)	39
EXHIBIT I	Eligible Investor Profile (ALL ELIGIBLE INVESTORS)	46
EXHIBIT J	Underlying Eligible Investor Status Certificate (AS APPLICABLE)	47
EXHIBIT K	Underlying Accredited Investor Status Certificate (AS APPLICABLE)	54
EXHIBIT L	Accredited Investor Profile	60
EXHIBIT M	Underlying Family, Friends and Business Associates Status Certificate (AS APPLICABLE)	61
EXHIBIT N	Saskatchewan Risk Acknowledgement Form (ALL SASKATCHEWAN RESIDENTS)	66
EXHIBIT O	Northwest Exemption Risk Acknowledgement Form	68

## EXHIBIT A

### SUBSCRIPTION FOR CLASS C SHARES

To: N.A. Energy Resources Investment Corporation (the “**Corporation**”)

The undersigned (hereinafter referred to as the “**Subscriber**”) hereby irrevocably subscribes for and agrees to purchase the number of Class C Non-Voting Shares (“**Class C Shares**”) of the Corporation set forth below for the aggregate subscription amount set forth below, representing a subscription price of CDN \$1.00 per Class C Share, upon and subject to the terms and conditions set forth in “Terms and Conditions of Subscription for Class C Shares of N.A. Energy Resources Investment Corporation” attached hereto (collectively EXHIBIT A through

EXHIBIT O, are referred to as this “**Subscription Agreement**”). **The Subscriber must complete all applicable Exhibits.**

In connection with the Subscriber’s subscription for the Class C Shares, the Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

#### **Insider Status**

The Subscriber either **[check appropriate box]**:

☐  
☐

is an “Insider” of the Corporation as defined in the *Securities Act* (British Columbia); or  
is not an Insider of the Corporation.

#### **Registrant Status**

The Subscriber either **[check appropriate box]**:

☐  
☐

is a “Registrant”, namely, a person registered, or required to be registered, under the *Securities Act* (British Columbia); or  
is not a Registrant.

Full Legal Name of Subscriber (Please Print)
Signature of Subscriber or Authorized Representative
Official Title or Capacity (please print)
Date of Execution
Social Insurance Number
Subscriber’s Address (including postal code)
Telephone (including area code)

Aggregate Subscription Amount: \$ _____
Number of Class C Shares: _____
<p><b>If the Subscriber is signing as agent for a principal and is not a trust corporation or, in British Columbia, a portfolio manager in any case, purchasing as a trustee or an agent for accounts fully managed by it, complete the following and ensure that the applicable exhibits attached hereto are completed in respect of such principal:</b></p>
Name of Principal
Principal’s Address (including postal code)
Telephone (including area code)

Email Address	Email Address
<b>Register the Class C Shares as follows:</b>	<b>Deliver the Class C Shares as follows:</b>
Name	Name
Account reference, if applicable	Account reference, if applicable
Contact Name	Contact Name
Address (including postal code)	Address (including postal code)
Telephone Number (including area code)	Telephone Number (including area code)

FOR OFFICE USE ONLY	
<b>ACCEPTANCE:</b> The Corporation hereby accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement.	
<b>N.A. Energy Resources Investment Corporation</b>	<b>Certificate No. Issued</b>
<b>Per:</b> _____ <b>Date:</b> _____	

**TERMS AND CONDITIONS OF SUBSCRIPTION FOR  
CLASS C SHARES OF N.A. ENERGY RESOURCES INVESTMENT CORPORATION**

1. **Definitions.** In this Subscription Agreement:
  - (a) **"Aggregate Subscription Amount"** means the aggregate dollar amount of the subscription under this Subscription Agreement;
  - (b) **"CDS"** means Canadian Depository for Securities Limited;
  - (c) **"Class C Shares"** means the Class C Non-Voting Class C Shares of the Corporation;
  - (d) **"Closing"** means the completion of the sale of Class C Shares pursuant to the Offering on a Closing Date;
  - (e) **"Closing Date"** means a date on which Class C Shares are issued by the Corporation, pursuant to the Offering, such date to be determined by the Corporation in its sole and absolute discretion;
  - (f) **"Corporation"** means N.A. Energy Resources Investment Corporation, a corporation incorporated under the *Business Corporations Act* (British Columbia);
  - (g) **"Exemption"** has the meaning ascribed thereto in section 3(g), below;
  - (h) **"Legislation"** has the meaning ascribed thereto in section 3(g), below;
  - (i) **"NCI"** means the non-certificated inventory system of CDS;
  - (j) **"NI 45-106"** means National Instrument 45-106 – *Prospectus Exemptions*;
  - (k) **"Offering"** means the offering of the Class C Shares; and
  - (l) **"Partnership"** means Permex Petroleum Limited Partnership.
2. **Acknowledgements of the Subscriber.** The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that:
  - (a) this subscription is subject to rejection or acceptance by the Corporation in whole or in part, and is effective only upon acceptance by the Corporation;
  - (b) the Class C Shares subscribed for by the Subscriber hereunder form part of a larger issue and sale by the Corporation of up to 20,000,000 Class C Shares at a subscription price of \$1.00 per Class C Share;
  - (c) where allowed by applicable securities legislation, the Corporation intends to pay compensation of up to 8% of the gross proceeds realized on the sale of Class C Shares under this Offering to any one of, or a combination of, the following parties: unrelated investment dealers, unrelated exempt market dealers and/or their dealing representatives, officers and directors of the Corporation, parties related to the Corporation and employees and/or contractors of such parties. All compensation for the sale of Class C Shares of the Corporation will be paid on the Corporation's behalf by the Partnership;



- (d) the Subscriber is responsible for obtaining such legal advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement;
- (e) the Class C Shares subscribed for by the Subscriber hereunder may be represented electronically in the NCI system. In the event the Class C Shares subscribed for by the Subscriber hereunder are represented at the Closing Date electronically in the NCI system, registration of interests in such Class C Shares may be made only through a book-based system, and if so made, the ability of the Subscriber to pledge such Class C Shares or otherwise take action with respect to the Subscriber's interest in such Class C Shares may be limited due to the lack of a physical certificate; and
- (f) the Subscriber has received and reviewed a copy of the Offering Memorandum, attached to, and forming part of which is:
  - (i) the offering memorandum of the Partnership describing, among other things, certain material aspects of the Partnership and the risks of an investment therein; and
  - (ii) the limited partnership agreement of the Partnership dated September 16, 2013 as amended and restated on October 2, 2013, January 22, 2015 and November 1, 2016.

3. **Representations, Warranties and Covenants of the Subscriber.** By executing this Subscription Agreement, the Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) represents, warrants and covenants to the Corporation (and acknowledges that the Corporation and its counsel are relying thereon) that:

- (a) if the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which this Subscription Agreement is executed and is legally competent to execute and deliver this Subscription Agreement, to perform all of its obligations hereunder, and to undertake all actions required of the Subscriber hereunder;
- (b) if the Subscriber is not an individual, the Subscriber has the requisite power, authority, legal capacity and competence to execute and deliver this Subscription Agreement, to perform all of its obligations hereunder, and to undertake all actions required of the Subscriber hereunder, and all necessary approvals of its directors, partners, shareholders, trustees or otherwise with respect to such matters have been given or obtained;
- (c) if the Subscriber is a body corporate, the Subscriber is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation;
- (d) this Subscription Agreement has been duly and validly authorized, executed and delivered by, and constitutes a legal, valid, binding and enforceable obligation of, the Subscriber;
- (e) if the Subscriber is acting as agent or trustee for a principal, the Subscriber is duly authorized to execute and deliver this Subscription Agreement and all other necessary documents in connection with such subscription on behalf of such principal, and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid, binding and enforceable obligation of, such principal;

- (f) the execution, delivery and performance by the Subscriber of this Subscription Agreement and the completion of the transactions contemplated hereby do not and will not result in a violation of any law, regulation, order or ruling applicable to the Subscriber, and do not and will not constitute a breach of or default under any of the Subscriber's constating documents (if the Subscriber is not an individual) or any agreement to which the Subscriber is a party or by which it is bound;
- (g) the Subscriber acknowledges and agrees that it is acquiring the Units pursuant to an exemption (the "**Exemption**") from the prospectus requirements of the applicable securities laws and regulations (collectively, the "**Legislation**") in all jurisdictions relevant to this Subscription, and, as a consequence, the Subscriber will not be entitled to use most of the civil remedies available under the Legislation and the Subscriber will not receive information that would otherwise be required to be provided to the Subscriber pursuant to the Legislation;
- (h) the Exemption is premised on the basis that:
  - (i) **if the Subscriber is resident in BRITISH COLUMBIA OR NEWFOUNDLAND AND LABRADOR**, the Subscriber acknowledges and agrees that the Corporation shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the Corporation, **along with a duly completed, dated and executed copy of pages 5 and 6 of this Subscription Agreement**,
    - (A) a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B; and
    - (B) such other supporting documentation that the Corporation or its legal counsel may request to establish the Subscriber's qualification under the Exemption,
  - (ii) **if the Subscriber is resident in Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon, and is subscribing for \$10,000 OR LESS in Class C Shares**, the Subscriber acknowledges and agrees that the Corporation shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the Corporation, **along with a duly completed, dated and executed copy of pages 5 and 6 of this Subscription Agreement**,
    - (A) a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B; and
    - (B) such other supporting documentation that the Corporation or its legal counsel may request to establish the Subscriber's qualification under the Exemption,
  - (iii) **if the Subscriber is resident in Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon, and is subscribing for MORE THAN \$10,000 in Class C Shares**, the Subscriber acknowledges and agrees that the Corporation shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the Corporation, **along with a duly completed, dated and executed copy of pages 5 and 6 of this Subscription Agreement**,
    - (A) a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B;

- (B) a duly completed, dated and executed **Eligible Investor Representation Letter (MB, NWT, NU, PEI, YK)** attached as EXHIBIT E;
  - (C) a duly completed, dated and executed **Eligible Investor Status Certificate (MB, NWT, NU, PEI, YK)** attached as EXHIBIT F;
  - (D) all other Exhibits, as indicated herein;
  - (E) the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents; and
  - (F) such other supporting documentation that the Corporation or its legal counsel may request to establish the Subscriber's qualification under the Exemption,
- (iv) **If the Subscriber is an INDIVIDUAL investor resident in SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA**, and is subscribing for \$10,000 OR LESS in Class C Shares, the Subscriber acknowledges and agrees that the Corporation shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the Corporation, **along with a duly completed, dated and executed copy of pages 5 and 6 of this Subscription Agreement**,
- (A) a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B;
  - (B) a duly completed, dated and executed **Classification of Investors Under the Offering Memorandum Exemption** attached as EXHIBIT C;
  - (C) a duly completed, dated and executed **Investment Limits for Investors Under the Offering Memorandum Exemption** attached as EXHIBIT D;
  - (D) if the Subscriber is resident in Saskatchewan and is required to provide such form pursuant to the instructions set out in the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, a duly completed, dated and executed **Saskatchewan Risk Acknowledgement Form** attached as EXHIBIT N;
  - (E) all other Exhibits, as indicated herein;
  - (F) the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents; and
  - (G) such other supporting documentation that the Corporation or its legal counsel may request to establish the Subscriber's qualification under the Exemption,
- (v) **If the Subscriber is an INDIVIDUAL investor resident in SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA**, is subscribing for NO MORE THAN \$30,000 in Class C Shares and checked the box beside Item 3(b) to the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as

EXHIBIT H, the Subscriber acknowledges and agrees that the Corporation shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the Corporation, **along with a duly completed, dated and executed copy of pages 5 and 6 of this Subscription Agreement,**

- (A) a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B;
- (B) a duly completed, dated and executed **Classification of Investors Under the Offering Memorandum Exemption** attached as EXHIBIT C;
- (C) a duly completed, dated and executed **Investment Limits for Investors Under the Offering Memorandum Exemption** attached as EXHIBIT D;
- (D) a duly completed, dated and executed **Eligible Investor Representation Letter (SK, ON, QU, NB, NS)** attached as EXHIBIT G;
- (E) a duly completed, dated and executed **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H;
- (F) if the Subscriber is resident in Saskatchewan and is required to provide such form pursuant to the instructions set out in the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, a duly completed, dated and executed **Saskatchewan Risk Acknowledgement Form** attached as EXHIBIT N;
- (G) all other Exhibits, as indicated herein;
- (H) the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents; and
- (I) such other supporting documentation that the Corporation or its legal counsel may request to establish the Subscriber's qualification under the Exemption,

(vi) **if the Subscriber is an INDIVIDUAL investor resident in SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA**, is subscribing for NO MORE THAN \$100,000 in Class C Shares and checked the box beside Item 3(c) to the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, the Subscriber acknowledges and agrees that the Corporation shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the Corporation, **along with a duly completed, dated and executed copy of pages 5 and 6 of this Subscription Agreement,**

- (A) a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B;
- (B) a duly completed, dated and executed **Classification of Investors Under the Offering Memorandum Exemption** attached as EXHIBIT C;
- (C) a duly completed, dated and executed **Investment Limits for Investors Under the Offering Memorandum Exemption** attached as EXHIBIT D;

- (D) a duly completed, dated and executed **Eligible Investor Representation Letter (SK, ON, QU, NB, NS)** attached as EXHIBIT G;
  - (E) a duly completed, dated and executed **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H;
  - (F) if the Subscriber is resident in Saskatchewan and is required to provide such form pursuant to the instructions set out in the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, a duly completed, dated and executed **Saskatchewan Risk Acknowledgement Form** attached as EXHIBIT N;
  - (A) all other Exhibits, as indicated herein;
  - (B) the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents; and
  - (C) such other supporting documentation that the Corporation or its legal counsel may request to establish the Subscriber's qualification under the Exemption,
- (vii) **if the Subscriber is a NON-INDIVIDUAL investor (e.g., the investor is a corporate entity or other legal entity that is not an individual) resident in SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA, and checked the box beside Item 3(a) to the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, the Subscriber acknowledges and agrees that the Corporation shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the Corporation, along with a duly completed, dated and executed copy of pages 5 and 6 of this Subscription Agreement,**
- (A) a duly completed, dated and executed **Risk Acknowledgement Form** attached as EXHIBIT B;
  - (B) a duly completed, dated and executed **Eligible Investor Status Certificate (SK, ON, QU, NB, NS)** attached as EXHIBIT H;
  - (C) if the Subscriber is resident in Saskatchewan and is required to provide such form pursuant to the instructions set out in the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, a duly completed, dated and executed **Saskatchewan Risk Acknowledgement Form** attached as EXHIBIT N;
  - (D) all other Exhibits, as indicated herein;
  - (E) the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents; and
  - (F) such other supporting documentation that the Corporation or its legal counsel may request to establish the Subscriber's qualification under the Exemption,

- (i) the Subscriber understands that no securities commission, stock exchange, governmental agency, regulatory body or similar authority has made any finding or determination or expressed any opinion with respect to the merits of investing in the Class C Shares;
- (j) the Subscriber acknowledges that no prospectus has been filed by the Corporation with any securities commission or similar regulatory authority in any jurisdiction in connection with the issuance of the Class C Shares and the issuance is exempted from the prospectus requirements available under the provisions of applicable securities laws and as a result:
  - (i) the Subscriber may be restricted from using some of the civil remedies otherwise available under applicable securities laws;
  - (ii) the Subscriber may not receive information that would otherwise be required to be provided to it under applicable securities laws; and
  - (iii) the Corporation is relieved from certain obligations that would otherwise apply under applicable securities laws;
  - (iv) the Subscriber confirms that neither the Corporation or any of its representative directors, employees, officers or affiliates, have made any representations (written or oral) to the Subscriber:
    - (A) regarding the future value of the Class C Shares;
    - (B) that any person will resell or repurchase the Class C Shares;
    - (C) that the Class C Shares will be listed on any stock exchange or traded on any market; or
    - (D) that any person will refund the purchase price of the Class C Shares other than as provided in this Subscription Agreement;
- (k) the Subscriber confirms that it has been advised to consult its own legal and financial advisors with respect to the suitability of the Class C Shares as an investment for the Subscriber, the tax consequences of purchasing and dealing with the Class C Shares, and the resale restrictions and "hold periods" to which the Class C Shares are subject under applicable securities legislation or stock exchange rules, and has not relied upon any statements made by or purporting to have been made on behalf of the Corporation with respect to such suitability, tax consequences, and resale restrictions;
- (l) the Subscriber is resident in the jurisdiction indicated on page 5 of this Subscription Agreement as the "Subscriber's Address" and the purchase by and sale to the Subscriber of the Class C Shares, and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale (whether with or with respect to the Subscriber or any beneficial purchaser) has occurred only in such jurisdiction;
- (m) the Subscriber acknowledges that it and/or the Corporation may be required to provide applicable securities regulatory authorities or stock exchanges with information concerning the identities of the beneficial purchasers of the Class C Shares and the Subscriber agrees that, notwithstanding that the Subscriber may be purchasing the Class C Shares as agent for an undisclosed principal, the Subscriber will provide to the

Corporation, on request, particulars as to the identity of such undisclosed principal as may be required by the Corporation in order to comply with the foregoing;

- (n) the Subscriber understands that it will not be able to resell the Class C Shares except in accordance with limited exemptions available under applicable securities legislation, regulatory policy, stock exchange rules and the constating documents of the Corporation, and that the Subscriber is solely responsible for (and the Corporation is not in any way responsible for) the Subscriber's compliance with applicable resale restrictions;
- (o) the Subscriber acknowledges that it is aware that there is no market upon which the Class C Shares trade and there is no assurance that any of the Class C Shares will be listed and posted for trading on a stock exchange or dealer network in the future;
- (p) the Subscriber understands that the sale of the Class C Shares is conditional upon such sale being exempt from the requirements to file and obtain a receipt for a prospectus, and the requirement to sell securities through a registered dealer, or upon the issuance of such orders, consents or approvals as may be required to enable such sale to be made without complying with such requirements, and that as a consequence of acquiring the Class C Shares pursuant to such exemptions, certain protections, rights and remedies provided by applicable securities legislation, including statutory rights of rescission or damages in the event of a misrepresentation may not be available to the Subscriber in connection with the purchase and sale of the Class C Shares;
- (q) the Subscriber understands that any certificates representing the Class C Shares will bear a legend indicating that the resale of such securities is restricted;
- (r) other than the Offering Memorandum, the Subscriber has not received or been provided with, nor has it requested, nor does it have any need to receive, any offering memorandum, or any other document (other than the annual financial statements, interim financial statements or any other document (excluding offering memoranda, prospectuses or other offering documents) the content of which is prescribed by statute or regulation) describing the business and affairs of the Corporation, which has been prepared for delivery to and review by prospective purchasers in order to assist them in making an investment decision in respect of the purchase of Class C Shares pursuant to the Offering;
- (s) the Class C Shares have not been registered under the *United States Securities Act of 1933*, as amended (the "**1933 Act**") or the securities laws of any state of the United States, that the Class C Shares may not be offered or sold, directly or indirectly, in the United States except pursuant to registration under the 1933 Act and the securities laws of all applicable states or available exemptions therefrom, that the Corporation has no obligation or present intention of filing a registration statement under the 1933 Act in respect of any of the Class C Shares, and that:
  - (i) the offer to purchase the Subscriber's Class C Shares was not made to the Subscriber in the United States,
  - (ii) this Subscription Agreement was delivered to, executed and delivered by the Subscriber outside the United States,
  - (iii) the Subscriber is not, and will not be purchasing the Subscriber's Class C Shares for the account or benefit of, any U.S. Person (as defined in the 1933 Act) or person in the United States,

- (iv) the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the 1933 Act,
- (v) the Subscriber and any person for whose account it is acquiring the Subscriber's Class C Shares, if applicable, has no intention to distribute either directly or indirectly any of the Securities in the United States, except in compliance with the 1933 Act, and
- (vi) if the Subscriber is a corporation, partnership or other legal entity incorporated or organized in the United States, the Subscriber's affairs are controlled and directed from outside of the United States, its purchase of the Securities was not solicited in the United States, no part of the transaction which is the subject of this Subscription Agreement occurred in the United States, and the Corporation has informed the Subscriber that no market for the Securities currently exists in the United States;
- (t) the Subscriber acknowledges that, in addition to any other requirements under applicable securities legislation to which a disposition of any of the Class C Shares by the Subscriber may be subject, the Subscriber may, depending on the nature of the disposition, be required to file a report of exempt trade within ten (10) days of a disposition by the Subscriber of the Class C Shares;
- (u) if required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Corporation in filing, such reports, undertakings and other documents with respect to the issue of the Class C Shares;
- (v) except as disclosed in writing to the Corporation, the Subscriber does not act jointly or in concert with any other person or company for the purposes of acquiring securities of the Corporation;
- (w) the Subscriber is not a non-resident for the purposes of the Income Tax Act (Canada);
- (x) the Subscriber is not a "control person" of the Corporation, as that term is defined in the Securities Act (British Columbia), will not become a "control person" of the Corporation by purchasing the number of Class C Shares subscribed for under this Subscription Agreement and does not intend to act jointly or in concert with any other person to form a control group in respect of the Corporation;
- (y) the Subscriber has not relied upon any verbal or written representation as to fact or otherwise made by or on behalf of the Corporation except as expressly set forth herein or in the Offering Memorandum;
- (z) the funds representing the Aggregate Subscription Amount which will be advanced by the Subscriber to the Corporation hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "**PCMLA**") and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge none of the subscription funds to be provided by the Subscriber: (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction; or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber. The Subscriber shall



promptly notify the Corporation if the Subscriber discovers that any of such representations ceases to be true, and shall provide the Corporation with appropriate information in connection therewith;

- (aa) the Subscriber acknowledges that the Corporation may complete additional financings in the future in order to develop the proposed business of the Corporation and to fund its ongoing development. There is no assurance that such financing will be available and if available, on reasonable terms. Any such future financings may have a dilutive effect on holders of Class C Shares, including the Subscriber; and
  - (bb) **the Subscriber acknowledges that an investment in the Class C Shares is subject to a number of risk factors. In particular, the Subscriber acknowledges that the Corporation is not a reporting issuer in any province of Canada and, as such, the applicable hold period may never expire. Accordingly, there is currently no market for any of the Class C Shares and one may never develop. It may be difficult or even impossible for a Subscriber to sell any of the Class C Shares. Resale of such Class C Shares will require the availability of exemptions from the prospectus requirements of applicable securities legislation, or the application for a discretionary order of the securities commission or similar regulatory authority in the subscriber's province of residence permitting the trade, as well as compliance with the constating documents of the Corporation. The Subscriber covenants and agrees to comply with the relevant securities legislation, orders or policies, and applicable corporate restrictions concerning the purchase, holding of, and resale of the Class C Shares.**
4. **Timeliness of Representations, etc.** The Subscriber agrees that the representations, warranties and covenants of the Subscriber herein will be true and correct both as of the execution of this Subscription Agreement and as of the Closing Time (as defined herein), and will survive the completion of the distribution of the Class C Shares and any subsequent disposition by the Subscriber of any of the securities.
5. **Indemnity.** The Subscriber acknowledges that the Corporation and its counsel are relying upon the representations, warranties and covenants of the Subscriber set forth herein in determining the eligibility (from a securities law perspective) of the Subscriber (or, if applicable, the eligibility of another on whose behalf the Subscriber is contracting hereunder to subscribe for Class C Shares) to purchase Class C Shares under the Offering, and hereby agrees to indemnify the Corporation and its directors, officers, employees, advisers, affiliates, shareholders and agents (including their respective legal counsel) against all losses, claims, costs, expenses, damages or liabilities that they may suffer or incur as a result of or in connection with their reliance on such representations, warranties and covenants. The Subscriber undertakes to immediately notify the Corporation at Suite 1290, 625 Howe Street, Vancouver, British Columbia, V6C 2T6 of any change in any statement or other information relating to the Subscriber set forth herein that occurs prior to the Closing Time.
6. **Deliveries by Subscriber prior to Closing.** The Subscriber agrees to deliver to the Corporation not later than 2:00 p.m. (Pacific time) on the day that is two business days before any Closing Date of which the Subscriber receives notice:
- (a) this duly completed and executed Subscription Agreement;
  - (b) a certified cheque or bank draft made payable to "N.A. Energy Resources Investment Corporation" in an amount equal to the Aggregate Subscription Amount, or payment of the same amount in such other manner as is acceptable to the Corporation;

- (c) properly completed and duly executed copies of the appropriate form(s) as described on pages 1 to 4 of this Subscription Agreement; and
- (d) such other documents as may be requested by the Corporation as contemplated by this Subscription Agreement.

7. **Consent to Collection of Personal Information.** If the Subscriber is an individual, the Subscriber acknowledges that the Subscriber has provided, in this Subscription Agreement, to the Corporation information (the “**Personal Information**”) of a personal nature that may or may not be protected under applicable privacy legislation. This information is being collected, used and may be disclosed by the Corporation for the following purposes (the “**Purposes**”):
- (a) in order to complete the Offering;
  - (b) to be kept in the corporate records of the Corporation, on its securities registers and shareholders lists, maintained by the Corporation and/or the Corporation’s transfer agent;
  - (c) to be disclosed to Securities/Tax regulatory authorities or other government bodies as required and in accordance with applicable securities laws and tax laws;
  - (d) as long as the Subscriber is a shareholder of the Corporation, to be disclosed to other third parties held to an obligation of confidentiality to the Corporation such as its legal counsel, its accountants, transfer agent, securities depository, or any other entity for: (i) the purpose of sending financial statements and other disclosure documentation required to be sent by law to the shareholders of the Corporation, and/or (ii) in the context of a proposed merger, business combination, acquisition, takeover bid or such other major transaction involving the Corporation and such other third party; and
  - (e) to enforce the obligations contemplated by this Subscription Agreement.

The Subscriber or the person subscribing for the Class C Shares on behalf of a disclosed beneficial purchaser hereby consents to the collection, use and disclosure by the Corporation of the Personal Information for the Purposes.

Certain securities commissions have been granted the authority to indirectly collect this personal information pursuant to securities legislation and this personal information is also being collected for the purpose of administration and enforcement of securities legislation. In Ontario, the Administrative Support Clerk to the Director of Corporate Finance, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone (416) 593-3684, Facsimile: (416) 593-8252 is the public official who can answer questions about the indirect collection of personal information. The Subscriber’s personal information may be disclosed by the Corporation or its counsel to: (w) stock exchanges, securities commissions or securities regulatory authorities; (x) the Corporation’s registrar and transfer agent; (y) taxation authorities; and (z) any of the other parties involved in the Offering, including legal counsel. By executing this Subscription Agreement, the Subscriber is deemed to be authorizing and consenting to the foregoing collection (including the indirect collection of personal information), use and disclosure of the Subscriber’s personal information as set forth above. The Subscriber also consents to the filing of copies or originals of any of the Subscriber’s documents described in this Subscription Agreement as may be required to be filed with any stock exchange, securities commission or securities regulatory authority in connection with the transactions contemplated hereby.

8. **Partial Acceptance or Rejection of Subscription.** The Corporation may, in its absolute discretion, accept or reject the Subscriber’s subscription for Class C Shares as set forth in this Subscription Agreement, in whole or in part, and the Corporation reserves the right to allot to the

Subscriber less than the amount of Class C Shares subscribed for under this Subscription Agreement.

**Notwithstanding the foregoing, the Subscriber acknowledges and agrees that the acceptance of this Subscription Agreement will be conditional upon among other things, the sale of the Class C Shares to the Subscriber being exempt from any prospectus and offering memorandum requirements of applicable securities laws. The Corporation will be deemed to have accepted this Subscription Agreement upon (a) the delivery at Closing of the certificates representing the Class C Shares to the Subscriber, in the case of a certificated issuance; (b) the delivery at Closing of confirmation of electronic registration in the NCI system representing the Class C Shares to the Subscriber, in the case an electronic issuance; or (c) upon the direction of the Subscriber in accordance with the provisions hereof.**

**If this Subscription Agreement is rejected in whole, any certified cheque(s) or bank draft(s) delivered by the Subscriber to the Corporation on account of the Aggregate Subscription Amount for the Class C Shares subscribed for will be promptly returned to the Subscriber without interest. If this Subscription Agreement is accepted only in part, a cheque representing the amount by which the payment delivered by the Subscriber to the Corporation exceeds the subscription price of the number of Class C Shares sold to the Subscriber pursuant to a partial acceptance of this Subscription Agreement will be promptly delivered to the Subscriber without interest.**

9. **Time and Place of Closing.** The sale of the Class C Shares will be completed at the offices of the Corporation, in Vancouver, British Columbia at 2:00 p.m. (Pacific time) or such other time as the Corporation may determine (the “**Closing Time**”) on the Closing Date. The Corporation reserves the right to close the Offering in multiple tranches, so that one or more closings may occur after the initial closing.
10. **Subject to Regulatory Approval.** The obligations of the parties hereunder are subject to all required regulatory approvals being obtained.
11. **Representations and Warranties of the Corporation.** The Corporation hereby represents and warrants to the Subscriber (and acknowledges that the Subscriber is relying thereon) that:
  - (a) the Corporation has the full corporate right, power and authority to execute and deliver this Subscription Agreement and to issue the Class C Shares to the Subscriber;
  - (b) the Corporation is duly incorporated and validly subsisting, and is qualified to carry on business in each jurisdiction in respect of which the carrying out of the activities contemplated hereby makes such qualification necessary;
  - (c) the Corporation has complied or will comply with all applicable corporate and Securities laws in connection with the offer and sale of the Class C Shares;
  - (d) upon acceptance by the Corporation, this Subscription Agreement shall constitute a binding obligation of the Corporation enforceable in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the general principles of equity including the fact that specific performance is available only in the discretion of the court; and
  - (e) the execution, delivery and performance of this Subscription Agreement by the Corporation and the issue of the Class C Shares to the Subscriber pursuant hereto does not and will not constitute a breach of or default under the constating documents of the

Corporation, or any law, regulation, order or ruling applicable to the Corporation, or any agreement to which the Corporation is a party or by which it is bound.

12. **No Partnership.** Nothing herein shall constitute or be construed to constitute a partnership of any kind whatsoever between the Subscriber and the Corporation.
13. **Governing Law.** The contract arising out of acceptance of this Subscription Agreement by the Corporation shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of British Columbia.
14. **Time of Essence.** Time shall be of the essence in this Subscription Agreement.
15. **Entire Subscription Agreement.** This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof, and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.
16. **Facsimile Copies.** The Corporation shall be entitled to rely on delivery of a facsimile copy of executed subscriptions, and acceptance by the Corporation of such facsimile subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the Corporation in accordance with the terms hereof.
17. **Counterpart.** This Subscription 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.
18. **Severability.** The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.
19. **Survival.** The covenants, representations and warranties contained in this Subscription Agreement shall survive the closing of the transactions contemplated hereby, and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.
20. **Interpretation.** The headings used in this Subscription Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Subscription Agreement or any provision hereof. In this Subscription Agreement, all references to money amounts are to Canadian dollars.
21. **Amendment.** Except as otherwise provided herein, this Subscription Agreement may only be amended by the parties hereto in writing.
22. **Costs.** The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the sale of the Class C Shares to the Subscriber shall be borne by the Subscriber.
23. **Withdrawal.** The Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder, agrees that this subscription is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder.
24. **Assignment.** Neither party may assign all or part of its interest in or to this Subscription Agreement without the consent of the other party in writing.

25. **Language**. The Subscriber acknowledges that it has consented to and requested that all documents evidencing or relating in any way to the sale of the Class C Shares be drawn up in the English language only. **Le souscripteur reconnaît par les présentes avoir consenti et exigé que tous les documents faisant foi ou se rapportant de quelque manière à la vente des bons de souscription spéciaux soient rédigés en anglais seulement.**

**EXHIBIT B**

**RISK ACKNOWLEDGEMENT FORM  
TO BE COMPLETED BY ALL SUBSCRIBERS**

**RISK ACKNOWLEDGEMENT – FORM 45-106F4**

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the Offering Memorandum.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- The securities are redeemable, but I may only be able to redeem them in limited circumstances.
- The Class C Shares offered pursuant to this Offering Memorandum are unsecured and are not insured against loss through the Canadian Deposit Insurance Corporation or any other insurance company or program.
- I could lose all the money I invest.

I am investing \$\_\_\_\_\_ in total, this includes any amounts I am obligated to pay in the future.

Where allowed by applicable securities legislation, the Corporation intends to offer compensation of up to **8%** of the gross proceeds realized on the sale of Class C Shares under this Offering to any one of, or a combination of, the following parties: unrelated investment dealers, unrelated Exempt Market Dealers and/or their dealing representatives, parties related to the Corporation, employees and/or contractors of such parties, and officers and directors of the Corporation.

**I acknowledge that this is a risky investment and that I could lose all the money I invest.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Print name of Purchaser

**Sign 2 copies of this document. Keep one copy for your records.**

**W  
A  
R  
N  
I  
N  
G**

**You have 2 business days to cancel your purchase**

To do so, send a notice to N.A. Energy Resources Investment Corporation stating that you want to cancel your purchase. You must deliver the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to N.A. Energy Resources Investment Corporation at its business address. Keep a copy of the notice for your records.

**Issuer Name:****N.A. Energy Resources Investment Corporation**

Address:

Suite 1290, 625 Howe Street  
Vancouver, BC, V6C 2T6

Phone #:

(604) 259-2525

Fax #:

(604) 674-5113

Email:

info@energyresourcescorp.ca

**You are buying Exempt Market Securities**

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

#### **You will receive an Offering Memorandum**

Read the Offering Memorandum carefully because it has important information about the issuer and its securities. Keep the Offering Memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

#### **The securities you are buying are not listed**

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

#### **The issuer of your securities is a non-reporting issuer**

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, contact your local securities regulatory authority or regulator.

<b>British Columbia Securities Commission</b>	<b>Manitoba Securities Commission</b>
701 West Georgia Street PO Box 10142, Pacific Centre Vancouver, BC V7Y 1L2 Phone: 604-899-6854 Fax: 604-899-6506 <a href="http://www.bcsc.bc.ca">www.bcsc.bc.ca</a>	400 Saint Mary Avenue Winnipeg, MB R3C 4K5  Phone: 204-945-2548 Fax: 204-945-0330 <a href="http://www.msc.gov.mb.ca">www.msc.gov.mb.ca</a>
<b>Financial and Consumer Services Commission (New Brunswick)</b>	<b>Government of Newfoundland and Labrador Financial Services Regulation Division</b>
85 Charlotte Street, Suite 300 Saint John, New Brunswick E2L 2J2 Telephone: (506) 658-3060 Toll free in Canada: 1-866-933-2222 Facsimile: (506) 658-3059 Email: <a href="mailto:info@fcnb.ca">info@fcnb.ca</a>	P.O. Box 8700 Confederation Building 2nd Floor, West Block Prince Philip Drive St. John's, Newfoundland and Labrador A1B 4J6 Attention: Director of Securities Telephone: (709) 729-4189 Facsimile: (709) 729-6187
<b>Government of the Northwest Territories Office of the Superintendent of Securities</b>	<b>Nova Scotia Securities Commission</b>

P.O. Box 1320 Yellowknife, Northwest Territories X1A 2L9 Attention: Deputy Superintendent, Legal & Enforcement Telephone: (867) 920-8984 Facsimile: (867) 873-0243	Suite 400, 5251 Duke Street Duke Tower P.O. Box 458 Halifax, Nova Scotia B3J 2P8 Telephone: (902) 424-7768 Facsimile: (902) 424-4625
<b>Government of Nunavut Department of Justice</b>	<b>Ontario Securities Commission</b>
Legal Registries Division P.O. Box 1000, Station 570 1st Floor, Brown Building Iqaluit, Nunavut X0A 0H0 Telephone: (867) 975-6590 Facsimile: (867) 975-6594	20 Queen Street West, 22 <sup>nd</sup> Floor Toronto, Ontario M5H 3S8 Telephone: (416) 593- 8314 Toll free in Canada: 1-877-785-1555 Facsimile: (416) 593-8122
<b>Prince Edward Island Securities Office</b>	<b>Autorité des marchés financiers</b>
95 Rochford Street, 4th Floor Shaw Building P.O. Box 2000 Charlottetown, Prince Edward Island C1A 7N8 Telephone: (902) 368-4569 Facsimile: (902) 368-5283	800, Square Victoria, 22e étage C.P. 246, Tour de la Bourse Montréal, Québec H4Z 1G3 Telephone: (514) 395-0337 or 1-877-525-0337 Facsimile: (514) 873-6155 Facsimile: (514) 864-6381
<b>Financial and Consumer Affairs Authority of Saskatchewan</b>	<b>Government of Yukon Department of Community Services</b>
6 <sup>th</sup> Floor, 1919 Saskatchewan Drive Regina, SK S4P 3V7 Phone: 306-787-5645 Fax: 306-787-5899 www.sfs.gov.sk.ca	Law Centre, 3rd Floor 2130 Second Avenue Whitehorse, Yukon Y1A 5H6 Telephone: (867) 667-5314 Facsimile: (867) 393-6251

**Instructions: The purchaser must sign 2 copies of this form.**

**The purchaser and the issuer must each receive a signed copy.**



## EXHIBIT C

### TO BE COMPLETED BY INDIVIDUAL INVESTORS RESIDENT IN SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA

#### CLASSIFICATION OF INVESTORS UNDER THE OFFERING MEMORANDUM EXEMPTION

**Instructions:** This EXHIBIT C must be completed together with the Risk Acknowledgement Form attached as EXHIBIT B and the Investment Limits for Investors Under the Offering Memorandum Exemption attached as EXHIBIT D by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 Prospectus Exemptions (NI 45-106) in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia.

#### How you qualify to buy securities under the offering memorandum exemption

Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.

A. You are an eligible investor because:		Your initials
<b>ELIGIBLE INVESTOR</b>	Your net income before taxes was more than \$75,000 in each of the 2 most recent calendar years, and you expect it to be more than \$75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with your spouse, you have net assets worth more than \$400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	

B. You are an eligible investor, as a person described in section 2.3 [ <i>Accredited investor</i> ] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the <i>Securities Act</i> (Ontario), because:		Your initials
<b>ACCREDITED INVESTOR</b>	Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
	Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI 45-106, because:		Your initials
FAMILY, FRIENDS AND BUSINESS ASSOCIATES	<p>You are:</p> <p>1) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a founder of the issuer</p> <p>OR</p> <p>2) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
	<p>You are a family member of _____ <i>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse], who holds the following position at the issuer or an affiliate of the issuer:</i></p> <p>_____</p> <p>You are the _____ of that person or that person's spouse.</p> <p><i>[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</i></p>	
	<p>You are a close personal friend of _____ <i>[Instruction: Insert the name of your close personal friend], who holds the following position at the issuer or an affiliate of the issuer:</i> _____</p> <p>You have known that person for _____ years.</p>	
	<p>You are a close business associate of _____ <i>[Instruction: Insert the name of your close business associate], who holds the following position at the issuer or an affiliate of the issuer:</i> _____</p> <p>You have known that person for _____ years.</p>	

D. You are not an eligible investor.		Your initials
NOT AN ELIGIBLE INVESTOR	<p>You acknowledge that you are not an eligible investor.</p>	

## EXHIBIT D

### TO BE COMPLETED BY INDIVIDUAL INVESTORS RESIDENT IN SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA

#### INVESTMENT LIMITS FOR INVESTORS UNDER THE OFFERING MEMORANDUM EXEMPTION

Instructions: This EXHIBIT D must be completed together with the Risk Acknowledgement Form attached as EXHIBIT B and Classification of Investors Under the Offering Memorandum Exemption attached as EXHIBIT C by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 Prospectus Exemptions (NI 45-106) in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia.

#### SECTION 1 TO BE COMPLETED BY THE PURCHASER

1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption

You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in EXHIBIT C. Initial the statement that applies to you.

A. You are an eligible investor.		Your initials
ELIGIBLE INVESTOR	As an eligible investor that is an individual, you cannot invest more than <b>\$30,000</b> in all offering memorandum exemption investments made in the previous 12 months, unless you have received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule, that your investment is suitable.	
	Initial one of the following statements:	
	You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$30,000 in all offering memorandum exemption investments made in the previous 12 months.	
	You confirm that you received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule that the following investment is suitable.	
	You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of \$100,000.	

B. You are an eligible investor, as a person described in section 2.3 [Accredited investor] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the Securities Act (Ontario).		Your initials
ACCREDITED INVESTOR	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 [Accredited investor], you are not subject to investment limits.	

C. You are an eligible investor, as a person described in section 2.5 <i>[Family, friends and business associates]</i> of NI 45-106.		Your initials
<b>FAMILY, FRIENDS AND BUSINESS ASSOCIATES</b>	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.5 <i>[Family, friends and business associates]</i> , you are not subject to investment limits.	

SECTION 2 TO BE COMPLETED BY THE REGISTRANT	
<b>2. Registrant information</b>	
<i>[Instruction: this section must only be completed if an investor has received advice from a portfolio manager, investment dealer or exempt market dealer concerning his or her investment.]</i>	
First and last name of registrant (please print):	
Registered as: <i>[Instruction: indicate whether registered as a dealing representative or advising representative]</i>	
Telephone:	Email:
Name of firm: <i>[Instruction: indicate whether registered as an exempt market dealer, investment dealer or portfolio manager.]</i>	
Date:	

**EXHIBIT E****ELIGIBLE INVESTOR REPRESENTATION LETTER  
(MB, NWT, NU, PEI, YK)**

**TO BE COMPLETED BY ELIGIBLE INVESTORS RESIDENT IN  
MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, PRINCE EDWARD ISLAND AND YUKON  
WHO ARE SUBSCRIBING FOR MORE THAN \$10,000 IN CLASS C SHARES**

TO: **N.A. ENERGY RESOURCES INVESTMENT CORPORATION (the “Corporation”)**

All money references are in Canadian Dollars.

In connection with the purchase of Class C Non-Voting Shares (the “**Class C Shares**”) of the Corporation by the undersigned subscriber (the “**Subscriber**”), the Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

1. The Subscriber is resident in the jurisdiction as set forth on page 5 of this Subscription Agreement or is subject to the securities laws of such jurisdiction;
2. The Subscriber is purchasing the Class C Shares as principal for its own account;
3. The Subscriber is an “eligible investor” within the meaning of NI 45-106 by virtue of satisfying the indicated criterion as set out in EXHIBIT F;
4. Upon execution of this EXHIBIT E by the Subscriber, this EXHIBIT E (together with all other applicable Exhibits) shall be incorporated into and form a part of the Subscription Agreement; and
5. If any of the foregoing representations and warranties ceases to be correct at any time prior to the Closing, the Subscriber will immediately provide written notice to the Corporation.

The foregoing representations, warranties and covenant are true and accurate as of the date of this Eligible Investor Representation Letter (MB, NWT, NU, PEI, YK) and will be true and accurate as of the Closing.

**[THIS SPACE INTENTIONALLY LEFT BLANK.]**

**IN WITNESS WHEREOF**, the undersigned has executed this Eligible Investor Representation Letter (MB, NWT, NU, PEI, YK) as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

**IMPORTANT: YOU MUST MARK THE CATEGORY OR CATEGORIES IN EXHIBIT F, WHICH BEGINS ON THE NEXT PAGE, THAT DESCRIBES HOW YOU QUALIFY AS AN ELIGIBLE INVESTOR, AND COMPLY WITH THE INSTRUCTIONS UNDER SUCH CATEGORY OR CATEGORIES, AS APPLICABLE.**

## EXHIBIT F

### ELIGIBLE INVESTOR STATUS CERTIFICATE (MB, NWT, NU, PEI, YK)

#### TO BE COMPLETED BY ELIGIBLE INVESTORS RESIDENT IN MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, PRINCE EDWARD ISLAND AND YUKON WHO ARE SUBSCRIBING FOR MORE THAN \$10,000 IN CLASS C SHARES

*The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.*

All money references are in Canadian Dollars.

The Subscriber is (and at the Closing will be) an eligible investor within the meaning of National Instrument 45-106 – *Prospectus Exemptions* by virtue of being **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ELIGIBLE INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	(a)	a <b>person</b> whose <b>net assets</b> , alone or with a <b>spouse</b> , exceed \$400,000, <i><b>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(b)	a <b>person</b> whose net income before taxes exceeded \$75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, or <i><b>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(c)	a <b>person</b> whose net income before taxes combined with that of a <b>spouse</b> exceeded \$125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, <i><b>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(d)	a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>eligible investors</b> , <i><b>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Eligible Investor Status Certificate and (ii) if such beneficial owner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</b></i>
	(e)	a <b>person</b> of which a majority of the <b>directors</b> are <b>eligible investors</b> , <i><b>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of such directors complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Eligible Investor Status Certificate and (ii) if such director is an individual, the Eligible</b></i>

		<b>Investor Profile attached as EXHIBIT I.]</b>
	(f)	a general partnership in which all of the partners are <b>eligible investors</b> , <i>[Instructions: Please include a register of partners (or equivalent) showing the names of all partners and have each owner complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(g)	a limited partnership in which the majority of the general partners are <b>eligible investors</b> , <i>[Instructions: Please include a register of general partners (or equivalent) showing the names of all general partners and have each owner complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(h)	a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are <b>eligible investors</b> , <i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries OR a majority of the trustees or executors complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such beneficiary, trustee or executor is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(i)	an <b>accredited investor</b> , <i>[Instructions: Please complete, date and execute the Underlying Accredited Investor Status Certificate attached as EXHIBIT K, and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Accredited Investor Status Certificate.]</i>
	(j)	a <b>director, executive officer or control person</b> of the Corporation and has not paid a commission or finder’s fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber’s purchase of Class C Shares.
	(k)	a <b>director, executive officer or control person</b> of _____, an affiliate of the Corporation and has not paid a commission or finder’s fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber’s purchase of Class C Shares.
	(l)	a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer or control person</b> of the Corporation and has not paid a commission or finder’s fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber’s purchase of Class C Shares.



	(m)	<p>a <b>spouse</b>, parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Corporation and has not paid a commission or finder's fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p>
	(n)	<p>a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer</b> or <b>control person</b> of the Corporation and has not paid a commission or finder's fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p>
	(o)	<p>a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Corporation and has not paid a commission or finder's fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p>
	(p)	<p>a <b>close personal friend</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of the Corporation and has not paid a commission or finder's fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p> <p>_____</p>
	(q)	<p>a <b>close personal friend</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Corporation and has not paid a commission or finder's fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p> <p>_____</p>
	(r)	<p>a <b>close business associate</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of the Corporation and has not paid a commission or finder's fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p> <p>_____</p>
	(s)	<p>a <b>close business associate</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an affiliate of the Corporation and has not paid a commission or finder's fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p> <p>_____</p>

		_____ ]
	(t)	<p>a <b>founder</b> of the Corporation or a <b>spouse</b>, parent, grandparent, brother, sister, child, grandchild, <b>close personal friend</b> or <b>close business associate</b> of _____, a <b>founder</b> of the Corporation and has not paid a commission or finder's fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></b></p> <p>_____ ]</p>
	(u)	<p>a parent, grandparent, brother, sister, child or grandchild of a <b>spouse</b> of _____, a <b>founder</b> of the Corporation and has not paid a commission or finder's fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p>
	(v)	<p>a <b>person</b> of which a majority of the voting securities are beneficially owned by persons described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b><i>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p>
	(w)	<p>a <b>person</b> of which a majority of the <b>directors</b> are persons described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b><i>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of the directors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p>
	(x)	<p>a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b><i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries or a majority of the trustees or executors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p>

	(y)	<p>in Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon, a person that has obtained advice regarding the suitability of the investment and if the person is resident in a jurisdiction of Canada, that advice has been obtained from an <b>eligibility adviser</b>.</p> <p><b>[Instructions: Please provide the name, firm (if applicable) and contact information of the eligibility adviser that provided such advice:</b></p> <p><b>Name:</b> _____</p> <p><b>Firm:</b> _____</p> <p><b>Telephone number:</b> _____</p>
	(z)	<p>a <b>founder</b> of the Corporation or a <b>spouse</b>, parent, grandparent, brother, sister, child, grandchild, <b>close personal friend</b> or <b>close business associate</b> of _____, a <b>founder</b> of the Corporation and has not paid a commission or finder's fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:</b> _____</p> <p>_____ ]</p>

**IN WITNESS WHEREOF**, the undersigned has executed this Eligible Investor Status Certificate (MB, NWT, NU, PEI, YK) as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

For the purposes hereof, the following definitions are included for convenience:

**"accredited investor"** means a person who meets the criteria in at least one of Items a through w, in the table set out in the Underlying Accredited Investor Status Certificate attached as EXHIBIT K;

**"close business associate"** is an individual who has had sufficient prior business dealings with a director, executive officer, founder or control person of the issuer to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close business associate solely because the individual is (a) a member of the same club, organization, association or religious group, (b) a co-worker, colleague or associate at the same workplace, (c) a client, customer, former client or former customer, (d) a mere acquaintance, or (e) connected through some form of social media, such as Facebook, Twitter or LinkedIn;

**"close personal friend"** of a director, executive officer, founder or control person of an issuer is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close personal friend solely because the individual is (a) a relative, (b) a member of the same club, organization, association or religious group, (c) a co-worker, colleague or associate at the same workplace, (d) a client, customer, former client or former customer, (e) a mere acquaintance, or (f) connected through some form of social media, such as Facebook, Twitter or LinkedIn;

**"control person"** means

- (i) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or
- (ii) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer,

and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

**"director"** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**"eligibility advisor"** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction off Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - a. have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - b. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**"eligible investor"** means a person who meets the criteria in at least one of Items (a) through (z), in the table above;

**"executive officer"** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,

- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer;

**"founder"** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer;

**"net assets"** includes all of the Subscriber's total assets minus all of the Subscriber's total liabilities; as a result, the calculation of total assets would include the value of the Subscriber personal residence or other real estate and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence or other real estate; income tax should also be considered a liability if the obligation to pay it is outstanding at the Closing;

**"person"** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative; and

**"spouse"** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

**EXHIBIT G****ELIGIBLE INVESTOR REPRESENTATION LETTER  
(SK, ON, QU, NB, NS)****TO BE COMPLETED BY ELIGIBLE INVESTORS RESIDENT IN  
SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA  
WHO ARE SUBSCRIBING FOR MORE THAN \$10,000 IN CLASS C SHARES****TO: N.A. Energy Resources Investment Corporation**

All money references are in Canadian Dollars.

In connection with the purchase of Class C Non-Voting Shares (the "**Class C Shares**") of the Corporation by the undersigned subscriber (the "**Subscriber**"), the Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

1. The Subscriber is resident in the jurisdiction as set forth on page 5 of this Subscription Agreement or is subject to the securities laws of such jurisdiction;
2. The Subscriber is purchasing the Class C Shares as principal for its own account;
3. The Subscriber is an "eligible investor" within the meaning of NI 45-106 by virtue of satisfying the indicated criterion as set out in EXHIBIT H and is **[check the appropriate box]**

(a) the Subscriber is not an individual, ☐

(b) the acquisition cost of all securities acquired by the Subscriber in its capacity as an "eligible investor", as such term is defined in the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, does not exceed \$30,000, or ☐

(c) the Subscriber received investment advice from the portfolio manager, investment dealer or exempt market dealer named below, that the investment in the Class C Shares is suitable for the Subscriber and the acquisition cost of all securities acquired by the Subscriber in its capacity as an "eligible investor", as such term is defined in the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, does not exceed \$100,000; ☐

**IF ITEM (c) IS CHECKED**, please print the name, firm (if applicable) and contact information of the portfolio manager, investment dealer or exempt market dealer who provided suitability advice below.

NAME: \_\_\_\_\_

FIRM: \_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_

4. Upon execution of this EXHIBIT G by the Subscriber, this EXHIBIT G (together with all other applicable Exhibits) shall be incorporated into and form a part of the Subscription Agreement; and
5. If any of the foregoing representations and warranties ceases to be correct at any time prior to the Closing, the Subscriber will immediately provide written notice to the Corporation.

The foregoing representations, warranties and covenant are true and accurate as of the date of this Eligible Investor Representation Letter (SK, ON, QU, NB, NS) and will be true and accurate as of the Closing.

**IN WITNESS WHEREOF**, the undersigned has executed this Eligible Investor Representation Letter (SK, ON, QU, NB, NS) as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

**IMPORTANT: YOU MUST MARK THE CATEGORY OR CATEGORIES IN EXHIBIT H, WHICH BEGINS ON THE NEXT PAGE, THAT DESCRIBES HOW YOU QUALIFY AS AN ELIGIBLE INVESTOR, AND COMPLY WITH THE INSTRUCTIONS UNDER SUCH CATEGORY OR CATEGORIES, AS APPLICABLE.**

## EXHIBIT H

### ELIGIBLE INVESTOR STATUS CERTIFICATE (SK, ON, QU, NB, NS)

#### TO BE COMPLETED BY ELIGIBLE INVESTORS RESIDENT IN SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK OR NOVA SCOTIA WHO ARE SUBSCRIBING FOR MORE THAN \$10,000 IN CLASS C SHARES

*The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.*

All money references are in Canadian Dollars.

The Subscriber is (and at the Closing will be) an eligible investor within the meaning of National Instrument 45-106 – *Prospectus Exemptions* by virtue of being **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ELIGIBLE INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	(a)	a <b>person</b> whose <b>net assets</b> , alone or with a <b>spouse</b> , exceed \$400,000, <i>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(b)	a <b>person</b> whose net income before taxes exceeded \$75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, or <i>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(c)	a <b>person</b> whose net income before taxes combined with that of a <b>spouse</b> exceeded \$125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, <i>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(d)	a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>eligible investors</b> , <i>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor Status Certificate and (ii) if such beneficial owner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(e)	a <b>person</b> of which a majority of the <b>directors</b> are <b>eligible investors</b> , <i>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of such directors complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor Status Certificate and (ii) if such director is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(f)	a general partnership in which all of the partners are <b>eligible investors</b> ,



		<i>[Instructions: Please include a register of partners (or equivalent) showing the names of all partners and have each owner complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(g)	a limited partnership in which the majority of the general partners are <b>eligible investors</b> ,  <i>[Instructions: Please include a register of general partners (or equivalent) showing the names of all general partners and have each owner complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(h)	a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are <b>eligible investors</b> ,  <i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries OR a majority of the trustees or executors complete, date and execute (i) the Underlying Eligible Investor Status Certificate attached as EXHIBIT J and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Eligible Investor, and (ii) if such beneficiary, trustee or executor is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(i)	an <b>accredited investor</b> ,  <i>[Instructions: Please complete, date and execute the Underlying Accredited Investor Status Certificate attached as EXHIBIT K, and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Accredited Investor Status Certificate.]</i>
	(j)	is a <b>director, executive officer or control person</b> of the Corporation, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.
	(k)	is a <b>director, executive officer or control person</b> of _____, an affiliate of the Corporation, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.
	(l)	is a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer or control person</b> of the Corporation, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.
	(m)	is a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Corporation, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.
	(n)	is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer or control person</b> of the Corporation, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of

		Class C Shares.
	(o)	<p>is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Corporation, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p>
	(p)	<p>is a <b>close personal friend</b> of _____, a <b>director, executive officer or control person</b> of the Corporation, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p> <p><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</b></p>
	(q)	<p>is a <b>close personal friend</b> of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Corporation, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p> <p><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</b></p>
	(r)	<p>is a <b>close business associate</b> of _____, a <b>director, executive officer or control person</b> of the Corporation, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p> <p><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</b></p>
	(s)	<p>is a <b>close business associate</b> of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Corporation, and has not paid a commission or finder's fee to any <b>director, officer, founder or control person</b> of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p>

		<p style="text-align: right;">]</p> <p><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</b></p>
	(t)	<p>is a <b>founder</b> of the Corporation or a <b>spouse</b>, parent, grandparent, brother, sister, child, grandchild, <b>close personal friend</b> or <b>close business associate</b> of _____, a <b>founder</b> of the Corporation, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></p> <p style="text-align: right;">]</p> <p><b>[Instructions: If the Subscriber is resident in Saskatchewan and the relationship described above is a close personal friendship or a close business association with a founder of the Corporation, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</b></p>
	(u)	<p>is a parent, grandparent, brother, sister, child or grandchild of a <b>spouse</b> of _____, a <b>founder</b> of the Corporation, and has not paid a commission or finder's fee to any <b>director</b>, officer, <b>founder</b> or <b>control person</b> of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p>
	(v)	<p>is a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>persons</b> described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</b></p> <p><b>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</b></p>
	(w)	<p>is a <b>person</b> of which a majority of the <b>directors</b> are persons described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of the directors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</b></p> <p><b>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons</b></p>

		<b><i>described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</i></b>
	(x)	<p>is a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (j) to (u), above, and has not paid a commission or finder's fee to any director, officer, founder or control person of the Corporation or an affiliate of the Corporation in connection with the Subscriber's purchase of Class C Shares.</p> <p><b><i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries or a majority of the trustees or executors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p> <p><b><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</i></b></p>

**IN WITNESS WHEREOF**, the undersigned has executed this Eligible Investor Status Certificate (SK, ON, QU, NB, NS) as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

For the purposes hereof, the following definitions are included for convenience:

**"accredited investor"** means a person who meets the criteria in at least one of Items a through w, in the table set out in the Underlying Accredited Investor Status Certificate attached as EXHIBIT K;

**"close business associate"** is an individual who has had sufficient prior business dealings with a

director, executive officer, founder or control person of the issuer to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close business associate solely because the individual is (a) a member of the same club, organization, association or religious group, (b) a co-worker, colleague or associate at the same workplace, (c) a client, customer, former client or former customer, (d) a mere acquaintance, or (e) connected through some form of social media, such as Facebook, Twitter or LinkedIn;

**"close personal friend"** of a director, executive officer, founder or control person of an issuer is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close personal friend solely because the individual is (a) a relative, (b) a member of the same club, organization, association or religious group, (c) a co-worker, colleague or associate at the same workplace, (d) a client, customer, former client or former customer, (e) a mere acquaintance, or (f) connected through some form of social media, such as Facebook, Twitter or LinkedIn;

**"control person"** means

- (i) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or
- (ii) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer,

and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

**"director"** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**"eligibility advisor"** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction off Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - a. have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - b. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**"eligible investor"** means a person who meets the criteria in at least one of Items (a) through (y), in the table above;

**"executive officer"** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer;

**"founder"** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer;

**“net assets”** includes all of the Subscriber's total assets minus all of the Subscriber's total liabilities; as a result, the calculation of total assets would include the value of the Subscriber personal residence or other real estate and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence or other real estate; income tax should also be considered a liability if the obligation to pay it is outstanding at the Closing;

**“person”** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative; and

**“spouse”** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

## EXHIBIT I

### ELIGIBLE INVESTOR PROFILE

Securities legislation requires that the Corporation obtain detailed information about its investors. We collect and maintain your personal information in order to allow us to establish your identity and verify your Eligible Investor status. Please fill in **ALL** parts of the form below, or indicate "Not Applicable" and **DO NOT LEAVE ANY AREAS BLANK**. Please advise the Corporation whenever there is any change to this information.

<b>INVESTOR INFORMATION:</b>																			
<input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Dr.																			
First Name:		Last Name:																	
Province / Territory of Residency:																			
Residential Address:		City	Province	Postal Code															
Home Phone #	Business Phone #	Cell #	Fax #																
Employment Status <input type="checkbox"/> Employed <input type="checkbox"/> Self Employed <input type="checkbox"/> Student <input type="checkbox"/> Homemaker <input type="checkbox"/> Unemployed <input type="checkbox"/> Retired <i>(Please indicate previous employment information)</i>																			
Occupation	Employer's Name	Employer Address	Type of Business	Years with Employer															
Spouse's Name <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Dr. First Name:                      Last Name:		Occupation of Spouse	Spouse's Employer's Name	Years with Employer															
<b>INVESTOR PROFILE – Please check all applicable boxes</b>																			
<b>Net Assets</b> <i>(net financial assets + fixed and long term assets – liabilities incurred or assumed to finance acquisition of fixed or long term assets or liabilities secured by fixed or long term assets)</i>  <input type="checkbox"/> Less than \$400,000, Individual with or without spouse <input type="checkbox"/> More than \$400,000, Individual with or without spouse																			
<b>Net Income</b> <i>(Net Income before tax in each of the 2 most recent calendar years, and expected Net Income from the current calendar year)</i>  <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left; width: 33%;">2015</th> <th style="text-align: left; width: 33%;">2016</th> <th style="text-align: left; width: 33%;">Expected 2017</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/> Less than \$75,000 individual only</td> <td><input type="checkbox"/> Less than \$75,000 individual only</td> <td><input type="checkbox"/> Less than \$75,000 individual only</td> </tr> <tr> <td><input type="checkbox"/> More than \$75,000 individual only</td> <td><input type="checkbox"/> More than \$75,000 individual only</td> <td><input type="checkbox"/> More than \$75,000 individual only</td> </tr> <tr> <td><input type="checkbox"/> Less than \$125,000 combined individual and spouse</td> <td><input type="checkbox"/> Less than \$125,000 combined individual and spouse</td> <td><input type="checkbox"/> Less than \$125,000 combined individual and spouse</td> </tr> <tr> <td><input type="checkbox"/> More than \$125,000 combined individual and spouse</td> <td><input type="checkbox"/> More than \$125,000 combined individual and spouse</td> <td><input type="checkbox"/> More than \$125,000 combined individual and spouse</td> </tr> </tbody> </table>					2015	2016	Expected 2017	<input type="checkbox"/> Less than \$75,000 individual only	<input type="checkbox"/> Less than \$75,000 individual only	<input type="checkbox"/> Less than \$75,000 individual only	<input type="checkbox"/> More than \$75,000 individual only	<input type="checkbox"/> More than \$75,000 individual only	<input type="checkbox"/> More than \$75,000 individual only	<input type="checkbox"/> Less than \$125,000 combined individual and spouse	<input type="checkbox"/> Less than \$125,000 combined individual and spouse	<input type="checkbox"/> Less than \$125,000 combined individual and spouse	<input type="checkbox"/> More than \$125,000 combined individual and spouse	<input type="checkbox"/> More than \$125,000 combined individual and spouse	<input type="checkbox"/> More than \$125,000 combined individual and spouse
2015	2016	Expected 2017																	
<input type="checkbox"/> Less than \$75,000 individual only	<input type="checkbox"/> Less than \$75,000 individual only	<input type="checkbox"/> Less than \$75,000 individual only																	
<input type="checkbox"/> More than \$75,000 individual only	<input type="checkbox"/> More than \$75,000 individual only	<input type="checkbox"/> More than \$75,000 individual only																	
<input type="checkbox"/> Less than \$125,000 combined individual and spouse	<input type="checkbox"/> Less than \$125,000 combined individual and spouse	<input type="checkbox"/> Less than \$125,000 combined individual and spouse																	
<input type="checkbox"/> More than \$125,000 combined individual and spouse	<input type="checkbox"/> More than \$125,000 combined individual and spouse	<input type="checkbox"/> More than \$125,000 combined individual and spouse																	
The above information is true and complete.  <b>X</b>		DATE																	
<b>INVESTOR SIGNATURE</b>																			

1. We are obliged to verify the identity of our investors in accordance with applicable securities legislation and appreciate your understanding and cooperation in meeting this requirement.
2. All investor information is considered confidential and is protected by the *Personal Information Protection and Electronic Documents Act* (PIPEDA). We will not disclose any such information except in response to a legally enforceable demand or to bona fide regulatory authorities with jurisdiction over N.A. Energy Resources Investment Corporation.

## EXHIBIT J

### UNDERLYING ELIGIBLE INVESTOR STATUS CERTIFICATE

*The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.*

All money references are in Canadian Dollars.

The undersigned is \_\_\_\_\_ [fill in or circle one of the following: a shareholder, a director, a partner of a general partnership, a general partner of a limited partnership, a beneficiary of a trust or a trustee or an executor of an estate] of the Subscriber and is (and at the Closing will be) an “eligible investor” within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, by virtue of being (**PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ELIGIBLE INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY**):

	(a)	a <b>person</b> whose <b>net assets</b> , alone or with a <b>spouse</b> , exceed \$400,000, <i>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(b)	a <b>person</b> whose net income before taxes exceeded \$75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, or <i>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(c)	a <b>person</b> whose net income before taxes combined with that of a <b>spouse</b> exceeded \$125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, <i>[Instructions: Please complete, date and execute the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(d)	a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>eligible investors</b> , <i>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute (i) a copy of this Underlying Eligible Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in this Underlying Eligible Investor Status Certificate and (ii) if such beneficial owner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(e)	a <b>person</b> of which a majority of the <b>directors</b> are <b>eligible investors</b> , <i>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of such directors complete, date and execute (i) a copy of this Underlying Eligible Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in this Underlying Eligible Investor Status Certificate and (ii) if such director is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>



	(f)	a general partnership in which all of the partners are <b>eligible investors</b> , <i>[Instructions: Please include a register of partners (or equivalent) showing the names of all partners and have each partner complete, date and execute (i) a copy of this Underlying Eligible Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in this Underlying Eligible Investor Status Certificate and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(g)	a limited partnership in which the majority of the general partners are <b>eligible investors</b> , <i>[Instructions: Please include a register of general partners (or equivalent) showing the names of all general partners and have a majority of the partners complete, date and execute (i) a copy of this Underlying Eligible Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in this Underlying Eligible Investor Status Certificate, and (ii) if such partner is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(h)	a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are <b>eligible investors</b> , <i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries or a majority of the trustees or executors complete, date and execute (i) a copy of this Underlying Eligible Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in this Underlying Eligible Investor Status Certificate, and (ii) if such beneficiary, trustee or executor is an individual, the Eligible Investor Profile attached as EXHIBIT I.]</i>
	(i)	an <b>accredited investor</b> , <i>[Instructions: Please complete, date and execute the Underlying Accredited Investor Status Certificate attached as EXHIBIT K, and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in the Underlying Accredited Investor Status Certificate.]</i>
	(j)	and is a <b>director, executive officer or control person</b> of the Corporation
	(k)	and is a <b>director, executive officer or control person</b> of _____, an affiliate of the Corporation
	(l)	and is a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer or control person</b> of the Corporation
	(m)	and is a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Corporation
	(n)	and is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer or control person</b> of the Corporation
	(o)	and is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Corporation

	<p>(p) and is a <b>close personal friend</b> of _____, a <b>director, executive officer or control person</b> of the Corporation</p> <p><i><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></i></p> <p><i><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</b></i></p>
	<p>(q) and is a <b>close personal friend</b> of _____, a <b>director, executive officer or control person</b> of _____, an <b>affiliate</b> of the Corporation</p> <p><i><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></i></p> <p><i><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</b></i></p>
	<p>(r) and is a <b>close business associate</b> of _____, a <b>director, executive officer or control person</b> of the Corporation</p> <p><i><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></i></p> <p><i><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</b></i></p>
	<p>(s) and is a <b>close business associate</b> of _____, a <b>director, executive officer or control person</b> of _____, an <b>affiliate</b> of the Corporation</p> <p><i><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></i></p> <p><i><b>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</b></i></p>
	<p>(t) and is a <b>founder</b> of the Corporation or a <b>spouse</b>, parent, grandparent, brother, sister, child, grandchild, <b>close personal friend</b> or <b>close business associate</b> of _____, a <b>founder</b> of the Corporation</p> <p><i><b>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</b></i></p> <p><i><b>[Instructions: If the Subscriber is resident in Saskatchewan and the relationship</b></i></p>

		<b><i>described above is a close personal friendship or a close business association with a founder of the Corporation, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</i></b>
	(u)	and is a parent, grandparent, brother, sister, child or grandchild of a <b>spouse</b> of _____, a <b>founder</b> of the Corporation
	(v)	<p>and is a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>persons</b> described in paragraphs (j) to (u), above</p> <p><b><i>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p> <p><b><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</i></b></p>
	(w)	<p>and is a <b>person</b> of which a majority of the <b>directors</b> are persons described in paragraphs (j) to (u), above</p> <p><b><i>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of the directors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p> <p><b><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</i></b></p>
	(x)	<p>and is a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (j) to (u), above</p> <p><b><i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries or a majority of the trustees or executors complete, date and execute the Underlying Family, Friends and Business Associates Status Certificate attached as EXHIBIT M and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in the Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p> <p><b><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (j) to (u) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your</i></b></p>

		<b>records.]</b>
	(y)	<p>in Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon, a person that has obtained advice regarding the suitability of the investment and if the person is resident in a jurisdiction of Canada, that advice has been obtained from an <b>eligibility adviser</b>.</p> <p><b>[Instructions: Please provide the name, firm (if applicable) and contact information of the eligibility adviser that provided such advice:</b></p> <p><b>Name:</b> _____</p> <p><b>Firm:</b> _____</p> <p><b>Telephone number:</b> _____</p>

**IN WITNESS WHEREOF, the undersigned has executed this Underlying Eligible Investor Status Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_\_.**

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

For the purposes hereof, the following definitions are included for convenience:

**"accredited investor"** means a person who meets the criteria in at least one of Items a through w, in the table set out in the Underlying Accredited Investor Status Certificate attached as EXHIBIT K;

**"close business associate"** is an individual who has had sufficient prior business dealings with a director, executive officer, founder or control person of the issuer to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close business associate solely because the individual is (a) a member of the same club, organization, association or religious group, (b) a co-worker, colleague or associate at the same workplace, (c) a client, customer, former client or former customer, (d) a mere acquaintance, or (e) connected through some form of social media, such as Facebook, Twitter or LinkedIn;

**"close personal friend"** of a director, executive officer, founder or control person of an issuer is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close personal friend solely because the individual is (a) a relative, (b) a member of the same club, organization, association or religious group, (c) a co-worker, colleague or associate at the same workplace, (d) a client, customer, former client or former customer, (e) a mere acquaintance, or (f) connected through some form of social media, such as Facebook, Twitter or LinkedIn;

**"control person"** means

- (i) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or

- (ii) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer,

and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

**“director”** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**“eligibility advisor”** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction off Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - a. have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - b. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**“eligible investor”** means a person who meets the criteria in at least one of Items (a) through (y), in the table above;

**“executive officer”** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer;

**“founder”** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer;

**“net assets”** includes all of the Subscriber's total assets minus all of the Subscriber's total liabilities; as a result, the calculation of total assets would include the value of the Subscriber personal residence or other real estate and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence or other real estate; income tax should also be considered a liability if the obligation to pay it is outstanding at the Closing;

**“person”** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative; and

**“spouse”** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

## EXHIBIT K

### UNDERLYING ACCREDITED INVESTOR STATUS CERTIFICATE

*The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.*

All money references are in Canadian Dollars.

The undersigned is **[check the appropriate box]**

- ☐ \_\_\_\_\_ **[fill in or circle one of the following:** a shareholder, a trustee or a settlor] of the Subscriber, or
- ☐ a Subscriber who has initialed the box beside either Item (i) on the Eligible Investor Status Certificate (MB, NWT, NU, PEI, YK) attached as EXHIBIT F, or Item (i) on the Eligible Investor Status Certificate (SK, ON, QU, NB, NS) attached as EXHIBIT H, or
- ☐ a Subscriber who has initialed the box beside Item (i) on the Underlying Eligible Investor Status Certificate attached as EXHIBIT J,

and is (and at the Closing will be) an “accredited investor” within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, by virtue of being **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	a.	a <b>Canadian financial institution</b> , or a <b>Schedule III bank</b> ;
	b.	the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);
	c.	a <b>subsidiary</b> of any <b>person</b> referred to in paragraphs (a), (a.1) or (b), if the <b>person</b> owns all of the voting securities of the <b>subsidiary</b> , except the voting securities required by law to be owned by <b>directors</b> of that subsidiary;
	d.	a <b>person</b> registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer; <b>[Instructions: Please include proof of registration.]</b>
	e.	an <b>individual</b> registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d); <b>[Instructions: Please include proof of registration.]</b>
	e.1	an <b>individual</b> formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as an representative of a limited market dealer under one or both of the Securities Act (Ontario) or the Securities Act (Newfoundland and Labrador); <b>[Instructions: Please include proof of former registration.]</b>
	f.	the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
	g.	a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;

	h.	any national, federal, state, provincial, territorial or municipal government of or in any <b>foreign jurisdiction</b> , or any agency of that government;
	i.	a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;
	j.	an <b>individual</b> who, either alone or with a <b>spouse</b> , beneficially owns <b>financial assets</b> having an aggregate realizable value that before taxes, but net of any <b>related liabilities</b> , exceeds \$1,000,000;  <b>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT L.]</b>
	j.1.	an <b>individual</b> who beneficially owns <b>financial assets</b> having an aggregate realizable value that, before taxes but net of any <b>related liabilities</b> , exceeds \$5,000,000;  <b>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT L.]</b>
	k.	an <b>individual</b> whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a <b>spouse</b> exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;  <b>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT L.]</b>
	l.	an <b>individual</b> who, either alone or with a <b>spouse</b> , has <b>net assets</b> of at least \$5,000,000;  <b>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT L.]</b>
	m.	a <b>person</b> , other than an <b>individual</b> or <b>investment fund</b> , that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements (prepared in accordance with applicable generally accepted accounting principles);  <b>[Note: a person is not eligible under this paragraph m if it was created or is being used solely to purchase or hold securities as an accredited investor in reliance upon this paragraph.]</b>  <b>[Instructions: Please include a copy of your most recently prepared financial statements.]</b>
	n.	an <b>investment fund</b> that distributes or has distributed its securities only to <ul style="list-style-type: none"> <li>(i) a <b>person</b> that is or was an accredited investor at the time of the distribution,</li> <li>(ii) a <b>person</b> that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment], or 2.19 [Additional investment in investment funds] of the <b>instrument</b> or their equivalents under securities legislation of an applicable jurisdiction as specified in sections 8.1 and 8.2 of the <b>instrument</b>, or</li> <li>(iii) a <b>person</b> described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [Investment fund reinvestment] of the <b>instrument</b>;</li> </ul> <b>[Instructions: Please provide a list of securityholders and for each securityholder confirm which category of accredited investor he/she/it purchased the securities of the investment fund under and either provide evidence of (i) the purchaser's accredited investor status on the date of subscription or (ii) amount of aggregate subscription cost. We may ask for additional documentation.]</b>



	o.	an <b>investment fund</b> that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;
	p.	a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a <b>foreign jurisdiction</b> , acting on behalf of a <b>fully managed account</b> managed by the trust company or trust corporation, as the case may be;  <i>[Instructions: Please include proof of registration or authorization to carry on business.]</i>
	q.	a <b>person</b> acting on behalf of a <b>fully managed account</b> managed by that <b>person</b> , if that <b>person</b> is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a <b>foreign jurisdiction</b> ;  <i>[Instructions: Please include proof of registration or authorization to carry on business as an advisor or equivalent.]</i>
	r.	a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an <b>eligibility adviser</b> or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;
	s.	an entity organized in a <b>foreign jurisdiction</b> that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;  <i>[Instructions: If you are analogous to an entity referred to in paragraph (d), please include proof of registration.]</i>
	t.	a <b>person</b> in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by <b>directors</b> , are persons that are <b>accredited investors</b> ;  <i>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have each owner complete, date and execute (i) a copy of this Underlying Accredited Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Accredited Investor Status Certificate, and (ii) if such beneficial owner is an individual, the Accredited Investor Profile attached as EXHIBIT L.]</i>
	u.	an <b>investment fund</b> that is advised by a <b>person</b> registered as an adviser or a <b>person</b> that is exempt from registration as an adviser;  <i>[Instructions: Please include proof of registration or exemption from registration of the person that advises the investment fund.]</i>
	v.	a <b>person</b> that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or  <i>[Instructions: Please include proof of recognition or designation.]</i>
	w.	a trust established by an accredited investor (the "Settlor") for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's <b>spouse</b> , a former <b>spouse</b> of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of the accredited investor, of that accredited investor's <b>spouse</b> or of that accredited investor's former <b>spouse</b> .

		<b><i>[Instructions: Please include a copy of the trust agreement establishing the trust and have the Settlor and a majority of the trustees complete, date and execute (i) a copy of this Underlying Accredited Investor Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Accredited Investor Status Certificate, and (ii) if such beneficial owner is an individual, the Accredited Investor Profile attached as EXHIBIT L.]</i></b>
--	--	---

**IN WITNESS WHEREOF**, the undersigned has executed this Underlying Accredited Investor Status Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

For the purposes hereof, the following definitions are included for convenience:

**"Canadian financial institution"** means

- (i) an association governed by the *Cooperative Credit Association Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
- (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

**"company"** means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

**"control"** - a person (first person) is considered to control another person (second person) if

- (i) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
- (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
- (iii) the second person is a limited partnership and the general partner of the limited partnership is the first person;

**"director"** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and

- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**"eligibility advisor"** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction off Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - a. have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - b. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**"EVCC"** means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia) and whose business objective is making multiple investments;

**"executive officer"** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer;

**"financial assets"** means

- (i) cash,
- (ii) securities, or
- (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

**NOTE:** the value of an investor's personal residence or other real estate is not included in the calculation of financial assets

**"financial statements"** includes interim financial reports;

**"foreign jurisdiction"** means a country other than Canada or a political subdivision of a country other than Canada;

**"founder"** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer;

**"fully managed account"** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

**"individual"** means a natural person, but does not include a partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust or a natural person in his or her capacity as trustee, executor, administrator or other legal personal representative;

**"instrument"** means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;

**"investment fund"** means a mutual fund or a non-redeemable investment fund, and for greater certainty in British Columbia, includes an EVCC or a VCC;

**"mutual fund"** means an issuer whose primary purpose is to invest money provided by its security holders and whose securities entitle the holder to receive on demand, or within a specified period after the demand, an amount computed by reference to the value of the proportionate interest in the whole or part of the net assets, including a separate fund or trust account, of the issuer;

**“net assets”** includes all of the Subscriber's total assets minus all of the Subscriber's total liabilities; as a result, the calculation of total assets would include the value of the Subscriber personal residence or other real estate and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence or other real estate; income tax should also be considered a liability if the obligation to pay it is outstanding at the Closing;

**“non redeemable investment fund”** means an issuer:

- (i) whose primary purpose is to invest money provided by its securityholders,
- (ii) that does not invest,
  - a. for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or
  - b. for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and
- (iii) that is not a mutual fund;

**“person”** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

**“related liabilities”** means

- (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
- (ii) liabilities that are secured by financial assets;

**“Schedule III bank”** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

**“spouse”** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

**“subsidiary”** means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary; and

**“VCC”** means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), whose business objective is making multiple investments.

## EXHIBIT L

### ACCREDITED INVESTOR PROFILE

Securities legislation requires that the Corporation obtain detailed information about its investors. We collect and maintain your personal information in order to allow us to establish your identity and verify your Accredited Investor status. Please fill in **ALL** parts of the form below, or indicate "Not Applicable" and **DO NOT LEAVE ANY AREAS BLANK**. Please advise the Corporation whenever there is any change to this information.

<b>INVESTOR INFORMATION:</b>				
<input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Dr.				
First Name:		Last Name:		Province / Territory of Residency:
Residential Address:		City	Province	Postal Code
Home Phone #	Business Phone #	Cell #	Fax #	
Employment Status <input type="checkbox"/> Employed <input type="checkbox"/> Self Employed <input type="checkbox"/> Student <input type="checkbox"/> Homemaker <input type="checkbox"/> Unemployed <input type="checkbox"/> Retired (Please indicate previous employment information)				
Occupation	Employer's Name	Employer Address	Type of Business	Years with Employer
Spouse's Name <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Dr. First Name:                      Last Name:		Occupation of Spouse	Spouse's Employer's Name	Years with Employer
<b>INVESTOR PROFILE – Please check all applicable boxes</b>				
<b>Financial assets</b> (cash + insurance contracts + securities + deposits that are not a security – liabilities incurred or assumed to finance acquisition of financial assets or liabilities secured by financial assets)				
<input type="checkbox"/> Less than \$1 Million, Individual with or without spouse <input type="checkbox"/> Between \$1 Million and \$5 Million, Individual with or without spouse <input type="checkbox"/> More than \$5 Million, Individual only				
<b>Net Assets</b> (net financial assets + fixed and long term assets – liabilities incurred or assumed to finance acquisition of fixed or long term assets or liabilities secured by fixed or long term assets)				
<input type="checkbox"/> Less than \$5 Million, Individual with or without spouse <input type="checkbox"/> More than \$5 Million, Individual with or without spouse				
<b>Net Income</b> (Net Income before taxes in each of the 2 most recent calendar years, and expected Net Income before taxes from the current calendar year)				
<b>2015</b> <input type="checkbox"/> Less than \$200,000 individual only <input type="checkbox"/> More than \$200,000 individual only <input type="checkbox"/> Less than \$300,000 combined individual and spouse <input type="checkbox"/> More than \$300,000 combined individual and spouse		<b>2016</b> <input type="checkbox"/> Less than \$200,000 individual only <input type="checkbox"/> More than \$200,000 individual only <input type="checkbox"/> Less than \$300,000 combined individual and spouse <input type="checkbox"/> More than \$300,000 combined individual and spouse		<b>Expected 2017</b> <input type="checkbox"/> Less than \$200,000 individual only <input type="checkbox"/> More than \$200,000 individual only <input type="checkbox"/> Less than \$300,000 combined individual and spouse <input type="checkbox"/> More than \$300,000 combined individual and spouse
The above information is true and complete.		DATE		
<b>X</b> <b>INVESTOR SIGNATURE</b>				

1. We are obliged to verify the identity of our investors in accordance with applicable securities legislation and appreciate your understanding and cooperation in meeting this requirement.

2. All investor information is considered confidential and is protected by the *Personal Information Protection and Electronic Documents Act* (PIPEDA). We will not disclose any such information except in response to a legally enforceable demand or to bona fide regulatory authorities with jurisdiction over N.A. Energy Resources Investment Corporation.

## EXHIBIT M

### UNDERLYING FAMILY, FRIENDS AND BUSINESS ASSOCIATES STATUS CERTIFICATE

*The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.*

All money references are in Canadian Dollars.

The undersigned is \_\_\_\_\_ [fill in or circle one of the following: a shareholder, a beneficiary of a trust or a trustee or an executor of an estate] of the Subscriber and is (and at the Closing will be) **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

(a)		and is a <b>director, executive officer or control person</b> of the Corporation
(b)		and is a <b>director, executive officer or control person</b> of _____, an affiliate of the Corporation
(c)		and is a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer or control person</b> of the Corporation
(d)		and is a <b>spouse</b> , parent, grandparent, brother, sister, child or grandchild of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Corporation
(e)		and is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer or control person</b> of the Corporation
(f)		and is a parent, grandparent, brother, sister, child or grandchild of the spouse of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Corporation
(g)		<p>and is a <b>close personal friend</b> of _____, a <b>director, executive officer or control person</b> of the Corporation</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</i></p>
(h)		<p>and is a <b>close personal friend</b> of _____, a <b>director, executive officer or control person</b> of _____, an affiliate of the Corporation</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form</i></p>

		<b>attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</b>
	(i)	<p>and is a <b>close business associate</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of the Corporation</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</i></p>
	(j)	<p>and is a <b>close business associate</b> of _____, a <b>director, executive officer</b> or <b>control person</b> of _____, an <b>affiliate</b> of the Corporation</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</i></p>
	(k)	<p>and is a <b>founder</b> of the Corporation or a <b>spouse</b>, parent, grandparent, brother, sister, child, grandchild, <b>close personal friend</b> or <b>close business associate</b> of _____, a <b>founder</b> of the Corporation</p> <p><i>[Instructions: Please include provide a brief description of the nature and duration of the relationship described above:_____]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and the relationship described above is a close personal friendship or a close business association with a founder of the Corporation, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</i></p>
	(l)	<p>and is a parent, grandparent, brother, sister, child or grandchild of a <b>spouse</b> of _____, a <b>founder</b> of the Corporation</p>
	(m)	<p>and is a <b>person</b> of which a majority of the voting securities are beneficially owned by <b>persons</b> described in paragraphs (a) to (l), above</p> <p><i>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have beneficial owners holding a majority of the voting securities complete, date and execute a copy of this Underlying Family, Friends and Business Associates Status Certificate and provide the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item in this Underlying Family, Friends and Business Associates Status Certificate.]</i></p> <p><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (a) to (l) are based on a close personal friendship or</i></p>

		<b><i>a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</i></b>
	(n)	<p>and is a <b>person</b> of which a majority of the <b>directors</b> are persons described in paragraphs (a) to (l), above</p> <p><b><i>[Instructions: Please include a register of directors (or equivalent) showing the names of all directors and have a majority of the directors complete, date and execute a copy of this Underlying Family, Friends and Business Associates Status Certificate and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in this Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p> <p><b><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (a) to (l) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</i></b></p>
	(o)	<p>and is a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (a) to (l), above</p> <p><b><i>[Instructions: Please include a copy of the trust agreement establishing the trust or the testamentary document naming all beneficiaries of the estate and have all the beneficiaries or a majority of the trustees or executors complete, date and execute a copy of this Underlying Family, Friends and Business Associates Status Certificate and provide the additional information required under applicable securities legislation, as set out under “Instructions” in the applicable Item in this Underlying Family, Friends and Business Associates Status Certificate.]</i></b></p> <p><b><i>[Instructions: If the Subscriber is resident in Saskatchewan and any of the relevant persons described in paragraphs (a) to (l) are based on a close personal friendship or a close business association, please complete, date and execute two (2) copies of the Saskatchewan Risk Acknowledgement Form attached as EXHIBIT N. One full copy must be delivered to the Corporation and one copy must be retained for your records.]</i></b></p>

**IN WITNESS WHEREOF**, the undersigned has executed this Underlying Family, Friends and Business Associates Status Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)



For the purposes hereof, the following definitions are included for convenience:

**"close business associate"** is an individual who has had sufficient prior business dealings with a director, executive officer, founder or control person of the issuer to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close business associate solely because the individual is (a) a member of the same club, organization, association or religious group, (b) a co-worker, colleague or associate at the same workplace, (c) a client, customer, former client or former customer, (d) a mere acquaintance, or (e) connected through some form of social media, such as Facebook, Twitter or LinkedIn;

**"close personal friend"** of a director, executive officer, founder or control person of an issuer is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a close personal friend solely because the individual is (a) a relative, (b) a member of the same club, organization, association or religious group, (c) a co-worker, colleague or associate at the same workplace, (d) a client, customer, former client or former customer, (e) a mere acquaintance, or (f) connected through some form of social media, such as Facebook, Twitter or LinkedIn;

**"control"** - a person (first person) is considered to control another person (second person) if

- (i) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
- (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
- (iii) the second person is a limited partnership and the general partner of the limited partnership is the first person;

**"control person"** means

- (i) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or
- (ii) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer,

and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

**"director"** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**"executive officer"** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer;

**"founder"** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer;

**"person"** includes

- (i) an individual,

- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative; and

**“spouse”** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

**EXHIBIT N****SASKATCHEWAN RISK ACKNOWLEDGEMENT FORM  
Form 45-106F5****Risk Acknowledgement****Saskatchewan Close Personal Friends and Close Business Associates**

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.
- I do not have a 2-day right to cancel my purchase of these securities or the statutory rights of action for misrepresentation I would have if I were purchasing the securities under a prospectus. I do have a 2-day right to cancel my purchase of these securities if I receive an amended offering document.

I am investing \$ \_\_\_\_\_ [total consideration] in total; this includes any amount I am obliged to pay in future.

I am a **close** personal friend or **close** business associate of \_\_\_\_\_ [state name], who is a \_\_\_\_\_ [state title - founder, director, executive officer or control person] of \_\_\_\_\_ [state name of issuer or its affiliate – if an affiliate state “an affiliate of the issuer” and give the issuer’s name].

I acknowledge that I am purchasing based on my close relationship with \_\_\_\_\_ [state name of founder, director, executive officer or control person] whom I know well enough and for a sufficient period of time to be able to assess her/his capabilities and trustworthiness.

**I acknowledge that this is a risky investment and that I could lose all the money I invest.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

**WARNING**

**You are buying Exempt Market Securities**

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. Exempt market securities are more risky than other securities.

**You may not receive any written information about the issuer or its business**

If you have any questions about the issuer or its business, ask for written clarification before you purchase the securities. You should consult your own professional advisers before investing in the securities.

**The issuer of your securities is a non-reporting issuer** A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer. You can only sell the securities of a non-reporting issuer in very limited circumstances. You may never be able to sell these securities.

**The securities you are buying are not listed**

The securities you are buying are not listed on any stock exchange, and they may never be listed. There may be no market for these securities. You may never be able to sell these securities.

For more information on the exempt market, refer to the Saskatchewan Financial Services Commission's website at <http://www.sfsc.gov.sk.ca>.

*[Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.]*

**EXHIBIT O****NORTHWEST EXEMPTION RISK ACKNOWLEDGEMENT FORM****TO BE EXECUTED WHERE THE PARTY SELLING THE UNITS IS  
NOT REGISTERED UNDER NATIONAL INSTRUMENT 31-103**

If the Class C Shares are being sold by a party pursuant to the terms and conditions of the British Columbia Securities Commission Instrument 32-513, Manitoba Securities Commission Blanket Order 31-505 or Saskatchewan Financial Services Commission General Order 45-918, then two copies of this

EXHIBIT O must be duly completed, dated and executed. Retain one copy for your records and deliver the other copy to the Corporation.

<b>Risk Acknowledgement Registration Exemption for Trades in Connection with Certain Prospectus Exempt Distributions</b>		<b>W A R N I N G</b>
Name of Issuer: <b>N.A. ENERGY RESOURCES INVESTMENT CORPORATION</b>		
Name of Seller: _____		
<b>I acknowledge that:</b>		
1. the person selling me these securities is not registered with a securities regulatory authority and is prohibited from telling me that this investment is suitable for me;		
2. the person selling me these securities does not act for me;		
3. this is a risky investment and I could lose all my money; and		
4. I am investing entirely at my own risk.		
_____ Date	_____ Signature of Purchaser	
	_____ Print name of Purchaser	
_____ Name of salesperson acting on behalf of seller		
<b>Sign 2 copies of this document. Keep one copy for your records.</b>		

National Instrument 45-106 *Prospectus Exemptions* may require you to sign an additional risk acknowledgement form. If you want advice about the merits of this investment and whether these securities are a suitable investment for you, contact a registered adviser or dealer.

## N.A. ENERGY RESOURCES INVESTMENT CORPORATION

The Subscriber acknowledges that the Corporation is not a “reporting issuer” (or equivalent thereof) in any jurisdiction, that the Class C Shares are subject to an indefinite restriction on resale (i.e., a “hold period”) under applicable securities laws and that it will not be able to resell any of the Class C Shares until expiration of the applicable hold period (which hold period will not commence to run until the Corporation has become a “reporting issuer” in a jurisdiction of Canada (which the Corporation has no obligation to become)) other than in accordance with limited exemptions under applicable securities legislation and regulatory policy.

## SUBSCRIPTION DOCUMENTS

Accredited Investors  
(including Offshore (non-Canadian & non-US) Investors)



## N.A. ENERGY RESOURCES INVESTMENT CORPORATION

### SUBSCRIPTION AGREEMENT

**Please make sure that your subscription includes:**

1. a signed and completed copy of **EXHIBIT A** to this Subscription Agreement;
2. a certified cheque or bank draft in an amount equal to the Aggregate Subscription Amount, payable to "N.A. Energy Resources Investment Corporation";
3. properly completed and duly executed copies of the following form(s), as applicable:
  - (a) **Northwest Exemption:** if the Subscriber is resident in British Columbia, Alberta, Manitoba or Saskatchewan, the **Northwest Exemption Risk Acknowledgement Form** attached as EXHIBIT G, dated and executed by the Subscriber if the Class C Shares (as defined herein) are sold to the Subscriber by a party pursuant to the terms and conditions of applicable instruments published by the Canadian Securities Administrators in such province(s) exempting such person from registration in such province(s), and
  - (b) **International Subscribers:** if the Subscriber is resident in, or otherwise subject to the Legislation of an International Jurisdiction (as such defined herein), the subscriber has duly completed, dated, executed and delivered the **International Jurisdiction Certificate** attached as EXHIBIT H; and
4. Properly completed and duly executed copies of the appropriate investor qualification form(s), as described below:
  - (a) **if the Subscriber is a corporate entity or other legal entity that is not an individual, which has checked the box beside Item d, d.1, m, n, p, q, s, u or v on the Accredited Investor Status Certificate attached as EXHIBIT C,**
    - (i) a duly completed, dated and executed **Accredited Investor Representation Letter** attached as EXHIBIT B,
    - (ii) a duly completed, dated and executed **Accredited Investor Status Certificate** attached as EXHIBIT C, and
    - (iii) the additional information required under applicable securities legislation, as set out under "**Instructions**" in the applicable Item(s) in the **Accredited Investor Status Certificate**;
  - (b) **if the Subscriber is an individual investor who has checked the box beside Item j, k or l on the Accredited Investor Status Certificate attached as EXHIBIT C,**
    - (i) a duly completed, dated and executed **Accredited Investor Representation Letter** attached as EXHIBIT B,
    - (ii) a duly completed, dated and executed **Accredited Investor Status Certificate** attached as EXHIBIT C,
    - (iii) the applicable **Accredited Investor Profile(s)** attached as EXHIBIT D, duly completed, dated and executed by the applicable persons, and
    - (iv) a duly completed, dated and executed **Form 45-106F9 – Individual Accredited Investor Risk Acknowledgement Form** attached as EXHIBIT E;

- (c) **if the Subscriber is an individual investor who has checked the box beside Item j.1** on the Accredited Investor Status Certificate attached as EXHIBIT C,
- (i) a duly completed, dated and executed **Accredited Investor Representation Letter** attached as EXHIBIT B,
  - (ii) a duly completed, dated and executed **Accredited Investor Status Certificate** attached as EXHIBIT C, and
  - (iii) a duly completed, dated and executed **Accredited Investor Profile** attached as EXHIBIT D;
- (d) **if the Subscriber is an individual investor who has checked the box beside Item d, d.1, e, e.1, q or v** on the Accredited Investor Status Certificate attached as EXHIBIT C,
- (i) a duly completed, dated and executed **Accredited Investor Representation Letter** attached as EXHIBIT B,
  - (ii) a duly completed, dated and executed **Accredited Investor Status Certificate** attached as EXHIBIT C,
  - (iii) the additional information required under applicable securities legislation, as set out under “**Instructions**” in the applicable Item(s) in the **Accredited Investor Status Certificate**;
- (e) **if the Subscriber is an investor who has checked the box beside Item a, a.1, b, c, f, g, h, i, o or r** on the Accredited Investor Status Certificate attached as EXHIBIT C,
- (i) a duly completed, dated and executed **Accredited Investor Representation Letter** attached as EXHIBIT B, and
  - (ii) a duly completed, dated and executed **Accredited Investor Status Certificate** attached as EXHIBIT C, or
- (f) **if the Subscriber is an investor who has checked the box beside Item t or w** on the Accredited Investor Status Certificate attached as EXHIBIT C,
- (i) a duly completed, dated and executed **Accredited Investor Representation Letter** attached as EXHIBIT B,
  - (ii) a duly completed, dated and executed **Accredited Investor Status Certificate** attached as EXHIBIT C,
  - (iii) the applicable **Accredited Investor Profile(s)** attached as EXHIBIT D, duly completed, dated and executed by the applicable persons,
  - (iv) the applicable **Underlying Accredited Investor Status Certificates** attached as EXHIBIT F, duly completed, dated and executed by the applicable persons, and
  - (v) the additional information required under applicable securities legislation, as set out under “**Instructions**” in the applicable Item(s) in the **Accredited Investor Status Certificate** and the **Underlying Accredited Investor Status Certificates**.

**PLEASE DELIVER YOUR SUBSCRIPTION TO:**  
**N.A. ENERGY RESOURCES INVESTMENT CORPORATION**  
 Suite 1290, 625 Howe Street  
 Vancouver, BC, V6C 2T6



## EXHIBIT A

## SUBSCRIPTION FOR CLASS C SHARES

**To: N.A. Energy Resources Investment Corporation (the "Corporation")**

The undersigned (hereinafter referred to as the "**Subscriber**") hereby irrevocably subscribes for and agrees to purchase the number of Class C Non-Voting Shares ("**Class C Shares**") of the Corporation set forth below for the aggregate subscription amount set forth below, representing a subscription price of CDN \$1.00 per Class C Share, upon and subject to the terms and conditions set forth in "Terms and Conditions of Subscription for Class C Shares of N.A. Energy Resources Investment Corporation" attached hereto (collectively EXHIBIT A through EXHIBIT H, are referred to as this "**Subscription Agreement**"). **The Subscriber must complete all applicable Exhibits.**

In connection with the Subscriber's subscription for the Class C Shares, the Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

**Insider Status**

The Subscriber either **[check appropriate box]**:

☐  
☐

is an "Insider" of the Corporation as defined in the *Securities Act* (British Columbia); or  
 is not an Insider of the Corporation.

**Registrant Status**

The Subscriber either **[check appropriate box]**:

☐  
☐

is a "Registrant", namely, a person registered, or required to be registered, under the *Securities Act* (British Columbia); or  
 is not a Registrant.

Full Legal Name of Subscriber (Please Print)
Signature of Subscriber or Authorized Representative
Official Title or Capacity (please print)
Date of Execution
Social Insurance Number
Subscriber's Address (including postal code)
Telephone (including area code)
Email Address

Aggregate Subscription Amount: \$ _____
Number of Class C Shares: _____
<b>If the Subscriber is signing as agent for a principal and is not a trust corporation or, in Alberta or British Columbia, a portfolio manager in any case, purchasing as a trustee or an agent for accounts fully managed by it, complete the following and ensure that the applicable exhibits attached hereto are completed in respect of such principal:</b>
Name of Principal
Principal's Address (including postal code)
Telephone (including area code)
Email Address

<b>Register the Class C Shares as follows:</b>	<b>Deliver the Class C Shares as follows:</b>
Name	Name
Account reference, if applicable	Account reference, if applicable
Contact Name	Contact Name
Address (including postal code)	Address (including postal code)
Telephone Number (including area code)	Telephone Number (including area code)

<b>FOR OFFICE USE ONLY</b>	
<b>ACCEPTANCE:</b> The Corporation hereby accepts the subscription as set forth above on the terms and conditions contained this Subscription Agreement.	
<b>N.A. Energy Resources Investment Corporation</b>	<b>Certificate No. Issued</b>
<b>Per:</b> _____ <b>Date:</b> _____	

**TERMS AND CONDITIONS OF SUBSCRIPTION FOR  
CLASS C SHARES OF N.A. ENERGY RESOURCES INVESTMENT CORPORATION**

1. **Definitions.** In this Subscription Agreement:
  - (a) **"Aggregate Subscription Amount"** means the aggregate dollar amount of the subscription under this Subscription Agreement;
  - (b) **"CDS"** means Canadian Depository for Securities Limited;
  - (c) **"Class C Shares"** means the Class C Non-Voting Class C Shares of the Corporation;
  - (d) **"Closing"** means the completion of the sale of Class C Shares pursuant to the Offering on a Closing Date;
  - (e) **"Closing Date"** means a date on which Class C Shares are issued by the Corporation, pursuant to the Offering, such date to be determined by the Corporation in its sole and absolute discretion;
  - (f) **"Corporation"** means N.A. Energy Resources Investment Corporation, a corporation incorporated under the *Business Corporations Act* (British Columbia);
  - (g) **"Exemption"** has the meaning ascribed thereto in section 3(g), below;
  - (h) **"International Jurisdiction"** has the meaning ascribed thereto in EXHIBIT G;
  - (i) **"Legislation"** has the meaning ascribed thereto in section 3(g), below;
  - (j) **"NCI"** means the non-certificated inventory system of CDS;
  - (k) **"NI 45-106"** means National Instrument 45-106 – *Prospectus Exemptions*; and
  - (l) **"Offering"** means the offering of the Class C Shares.
2. **Acknowledgements of the Subscriber.** The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that:
  - (a) this subscription is subject to rejection or acceptance by the Corporation in whole or in part, and is effective only upon acceptance by the Corporation;
  - (b) the Class C Shares subscribed for by the Subscriber hereunder form part of a larger issue and sale by the Corporation of up to 20,000,000 Class C Shares at a subscription price of \$1.00 per Class C Share;
  - (c) where allowed by applicable securities legislation, the Corporation intends to pay compensation of up to 8% of the gross proceeds realized on the sale of Class C Shares under this Offering to any one of, or a combination of, the following parties: unrelated investment dealers, unrelated exempt market dealers and/or their dealing representatives, officers and directors of the Corporation, parties related to the Corporation and employees and/or contractors of such parties. All compensation for the sale of Class C Shares of the Corporation will be paid on the Corporation's behalf by Permex Petroleum Limited Partnership;

- (d) the Subscriber is responsible for obtaining such legal advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement; and
- (e) the Class C Shares subscribed for by the Subscriber hereunder may be represented electronically in the NCI system. In the event the Class C Shares subscribed for by the Subscriber hereunder are represented at the Closing Date electronically in the NCI system, registration of interests in such Class C Shares may be made only through a book-based system, and if so made, the ability of the Subscriber to pledge such Class C Shares or otherwise take action with respect to the Subscriber's interest in such Class C Shares may be limited due to the lack of a physical certificate.

3. **Representations, Warranties and Covenants of the Subscriber.** By executing this Subscription Agreement, the Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) represents, warrants and covenants to the Corporation (and acknowledges that the Corporation and its counsel are relying thereon) that:

- (a) if the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which this Subscription Agreement is executed and is legally competent to execute and deliver this Subscription Agreement, to perform all of its obligations hereunder, and to undertake all actions required of the Subscriber hereunder;
- (b) if the Subscriber is not an individual, the Subscriber has the requisite power, authority, legal capacity and competence to execute and deliver this Subscription Agreement, to perform all of its obligations hereunder, and to undertake all actions required of the Subscriber hereunder, and all necessary approvals of its directors, partners, shareholders, trustees or otherwise with respect to such matters have been given or obtained;
- (c) if the Subscriber is a body corporate, the Subscriber is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation;
- (d) this Subscription Agreement has been duly and validly authorized, executed and delivered by, and constitutes a legal, valid, binding and enforceable obligation of, the Subscriber;
- (e) if the Subscriber is acting as agent or trustee for a principal, the Subscriber is duly authorized to execute and deliver this Subscription Agreement and all other necessary documents in connection with such subscription on behalf of such principal, and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid, binding and enforceable obligation of, such principal;
- (f) the execution, delivery and performance by the Subscriber of this Subscription Agreement and the completion of the transactions contemplated hereby do not and will not result in a violation of any law, regulation, order or ruling applicable to the Subscriber, and do not and will not constitute a breach of or default under any of the Subscriber's constating documents (if the Subscriber is not an individual) or any agreement to which the Subscriber is a party or by which it is bound;
- (g) the Subscriber acknowledges and agrees that it is acquiring the Class C Shares pursuant to an exemption (the "**Exemption**") from the prospectus requirements of the applicable securities laws and regulations (collectively, the "**Legislation**") in all jurisdictions relevant to this Subscription Agreement, and, as a consequence, the Subscriber will not be entitled to use most of the civil remedies available under the Legislation and the

Subscriber will not receive information that would otherwise be required to be provided to the Subscriber pursuant to the Legislation;

- (h) the Exemption is premised on the basis that:
- (i) if the Subscriber is a corporate entity or other legal entity that is not an individual, which has checked the box beside Item d, d.1, m, n, p, q, s, u or v on the Accredited Investor Status Certificate attached as EXHIBIT C, the Subscriber does not require the protection of the Legislation by virtue of the Subscriber's status as an "accredited investor", as defined in NI 45-106 and acknowledges and agrees that the Corporation shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the Corporation, along with a duly completed, dated and executed copy of EXHIBIT A,
    - (A) a duly completed, dated and executed Accredited Investor Representation Letter attached as EXHIBIT B,
    - (B) a duly completed, dated and executed Accredited Investor Status Certificate attached as EXHIBIT C,
    - (C) the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the Accredited Investor Status Certificate, and
    - (D) such other supporting documentation that the Corporation or its legal counsel may request to establish the Subscriber's qualification as an accredited investor;
  - (ii) if the Subscriber is an individual investor who has checked the box beside Item j, k or l on the Accredited Investor Status Certificate attached as EXHIBIT C, the Subscriber does not require the protection of the Legislation by virtue of the Subscriber's status as an "accredited investor", as defined in NI 45-106 and acknowledges and agrees that the Corporation shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the Corporation, along with a duly completed, dated and executed copy of **EXHIBIT A**,
    - (A) a duly completed, dated and executed Accredited Investor Representation Letter attached as EXHIBIT B,
    - (B) a duly completed, dated and executed Accredited Investor Status Certificate attached as EXHIBIT C,
    - (C) the applicable Accredited Investor Profile(s) attached as EXHIBIT D, duly completed, dated and executed by the applicable persons,
    - (D) a duly completed, dated and executed Form 45-106F9 Individual Accredited Investor Risk Acknowledgement Form, attached as EXHIBIT E, and
    - (E) such other supporting documentation that the Corporation or its legal counsel may request to establish the Subscriber's qualification as an accredited investor;

- (iii) if the Subscriber is an individual investor who has checked the box beside Item j.1 on the Accredited Investor Status Certificate attached as EXHIBIT C, the Subscriber does not require the protection of the Legislation by virtue of the Subscriber's status as an "accredited investor", as defined in NI 45-106 and acknowledges and agrees that the Corporation shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the Corporation, along with a duly completed, dated and executed copy of EXHIBIT A,
  - (A) a duly completed, dated and executed Accredited Investor Representation Letter attached as EXHIBIT B,
  - (B) a duly completed, dated and executed Accredited Investor Status Certificate attached as EXHIBIT C,
  - (C) a duly completed, dated and executed Accredited Investor Profile attached as EXHIBIT D, and
  - (D) such other supporting documentation that the Corporation or its legal counsel may request to establish the Subscriber's qualification as an accredited investor;
- (iv) if the Subscriber is an individual investor who has checked the box beside Item d, d.1, e, e.1, q or v on the Accredited Investor Status Certificate attached as EXHIBIT C, the Subscriber does not require the protection of the Legislation by virtue of the Subscriber's status as an "accredited investor", as defined in NI 45-106 and acknowledges and agrees that the Corporation shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the Corporation, along with a duly completed, dated and executed copy of EXHIBIT A,
  - (A) a duly completed, dated and executed Accredited Investor Representation Letter attached as EXHIBIT B,
  - (B) a duly completed, dated and executed Accredited Investor Status Certificate attached as EXHIBIT C,
  - (C) the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the Accredited Investor Status Certificate and the Underlying Accredited Investor Status Certificates, and
  - (D) such other supporting documentation that the Corporation or its legal counsel may request to establish the Subscriber's qualification as an accredited investor;
- (v) if the Subscriber is an investor who has checked the box beside Item a, a.1, b, c, f, g, h, i, o or r on the Accredited Investor Status Certificate attached as EXHIBIT C, the Subscriber does not require the protection of the Legislation by virtue of the Subscriber's status as an "accredited investor", as defined in NI 45-106 and acknowledges and agrees that the Corporation shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the Corporation, along with a duly completed, dated and executed copy of EXHIBIT A,

- (A) a duly completed, dated and executed Accredited Investor Representation Letter attached as EXHIBIT B,
  - (B) a duly completed, dated and executed Accredited Investor Status Certificate attached as EXHIBIT C, and
  - (C) such other supporting documentation that the Corporation or its legal counsel may request to establish the Subscriber's qualification as an accredited investor;
- (vi) if the Subscriber is an investor who has checked the box beside Item t or w on the Accredited Investor Status Certificate attached as EXHIBIT C, the Subscriber does not require the protection of the Legislation by virtue of the Subscriber's status as an "accredited investor", as defined in NI 45-106 and acknowledges and agrees that the Corporation shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the Corporation, along with a duly completed, dated and executed copy of EXHIBIT A,
  - (A) a duly completed, dated and executed Accredited Investor Representation Letter attached as EXHIBIT B,
  - (B) a duly completed, dated and executed Accredited Investor Status Certificate attached as EXHIBIT C,
  - (C) the applicable Accredited Investor Profile(s) attached as EXHIBIT D, duly completed, dated and executed by the applicable person(s),
  - (D) the applicable Underlying Accredited Investor Status Certificates attached as EXHIBIT F, duly completed, dated and executed by the applicable person(s),
  - (E) the additional information required under applicable securities legislation, as set out under "Instructions" in the applicable Item(s) in the foregoing documents,
  - (F) such other supporting documentation that the Corporation or its legal counsel may request to establish the Subscriber's qualification as an accredited investor;
- (vii) if the Subscriber is resident in British Columbia, Alberta, Manitoba or Saskatchewan, and is purchasing Class C Shares from a party pursuant to the terms and conditions of applicable instruments published by the Canadian Securities Administrators in such province(s) exempting such person from registration in such province(s), the Corporation shall not consider the Subscriber's subscription for acceptance unless the Subscriber provides to the Corporation,
  - (A) a duly completed, dated and executed copy of the Northwest Exemption Risk Acknowledgement Form attached as EXHIBIT G, and
  - (B) such other documentation as may be required pursuant to subsections 3(h)(i) to (vi), above; and
- (viii) if the subscriber is resident in, or otherwise subject to the Legislation of an International Jurisdiction, the Corporation shall not consider the Subscriber's

subscription for acceptance unless the Subscriber provides to the Corporation, along with a duly completed, dated and executed copy of EXHIBIT A,

- (A) a duly completed, dated and executed copy of the International Jurisdiction Certificate attached as EXHIBIT H and
  - (B) such other documentation as may be required pursuant to subsections 3(h)(i) to (vi), above;
- (i) the Subscriber is purchasing the Class C Shares as principal for its own account or is deemed to be purchasing the Class C Shares as principal, pursuant to the provisions of NI 45-106;
  - (j) the Subscriber has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Class C Shares;
  - (k) the Subscriber is capable of assessing the proposed investment in the Class C Shares as a result of the Subscriber's own experience or as a result of advice received from a person registered under applicable securities legislation;
  - (l) the Subscriber is able to bear the economic risk of loss of its entire investment in the Class C Shares;
  - (m) the Subscriber understands that no securities commission, stock exchange, governmental agency, regulatory body or similar authority has made any finding or determination or expressed any opinion with respect to the merits of investing in the Class C Shares;
  - (n) the Subscriber acknowledges that no prospectus has been filed by the Corporation with any securities commission or similar regulatory authority in any jurisdiction in connection with the issuance of the Class C Shares and the issuance is exempted from the prospectus requirements available under the provisions of applicable securities laws and as a result:
    - (i) the Subscriber may not receive information that would otherwise be required to be provided to it under applicable securities laws,
    - (ii) the Corporation is relieved from certain obligations that would otherwise apply under applicable securities laws,
    - (iii) the Subscriber confirms that neither the Corporation or any of its representative directors, employees, officers or affiliates, have made any representations (written or oral) to the Subscriber:
      - (A) regarding the future value of the Class C Shares;
      - (B) that any person will resell or repurchase the Class C Shares;
      - (C) that the Class C Shares will be listed on any stock exchange or traded on any market; or
      - (D) that any person will refund the purchase price of the Class C Shares other than as provided in this Subscription Agreement;



- (o) the Subscriber confirms that it has been advised to consult its own legal and financial advisors with respect to the suitability of the Class C Shares as an investment for the Subscriber, the tax consequences of purchasing and dealing with the Class C Shares, and the resale restrictions and “hold periods” to which the Class C Shares are subject under applicable securities legislation or stock exchange rules, and has not relied upon any statements made by or purporting to have been made on behalf of the Corporation with respect to such suitability, tax consequences, and resale restrictions;
- (p) the Subscriber is resident in the jurisdiction indicated on the page 4 of this Subscription Agreement as the “Subscriber’s Address” and the purchase by and sale to the Subscriber of the Class C Shares, and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale (whether with or with respect to the Subscriber or any beneficial purchaser) has occurred only in such jurisdiction;
- (q) the Subscriber acknowledges that it and/or the Corporation may be required to provide applicable securities regulatory authorities or stock exchanges with information concerning the identities of the beneficial purchasers of the Class C Shares and the Subscriber agrees that, notwithstanding that the Subscriber may be purchasing the Class C Shares as agent for an undisclosed principal, the Subscriber will provide to the Corporation, on request, particulars as to the identity of such undisclosed principal as may be required by the Corporation in order to comply with the foregoing;
- (r) the Subscriber understands that it will not be able to resell the Class C Shares except in accordance with limited exemptions available under applicable securities legislation, regulatory policy, stock exchange rules and the constating documents of the Corporation, and that the Subscriber is solely responsible for (and the Corporation is not in any way responsible for) the Subscriber’s compliance with applicable resale restrictions;
- (s) the Subscriber acknowledges that it is aware that there is no market upon which the Class C Shares trade and there is no assurance that any of the Class C Shares will be listed and posted for trading on a stock exchange or dealer network in the future;
- (t) the Subscriber understands that the sale of the Class C Shares is conditional upon such sale being exempt from the requirements to file and obtain a receipt for a prospectus, and the requirement to sell securities through a registered dealer, or upon the issuance of such orders, consents or approvals as may be required to enable such sale to be made without complying with such requirements, and that as a consequence of acquiring the Class C Shares pursuant to such exemptions, certain protections, rights and remedies provided by applicable securities legislation, including statutory rights of rescission or damages in the event of a misrepresentation may not be available to the Subscriber in connection with the purchase and sale of the Class C Shares;
- (u) the Subscriber understands that any certificates representing the Class C Shares will bear a legend indicating that the resale of such securities is restricted;
- (v) the Subscriber has not received or been provided with, nor has it requested, nor does it have any need to receive, any offering memorandum, or any other document (other than the annual financial statements, interim financial statements or any other document (excluding offering memoranda, prospectuses or other offering documents) the content of which is prescribed by statute or regulation) describing the business and affairs of the Corporation, which has been prepared for delivery to and review by prospective purchasers in order to assist them in making an investment decision in respect of the purchase of Class C Shares pursuant to the Offering;
- (w) the Class C Shares have not been registered under the *United States Securities Act of 1933*, as amended (the “**1933 Act**”) or the securities laws of any state of the United

States, that the Class C Shares may not be offered or sold, directly or indirectly, in the United States except pursuant to registration under the 1933 Act and the securities laws of all applicable states or available exemptions therefrom, that the Corporation has no obligation or present intention of filing a registration statement under the 1933 Act in respect of any of the Class C Shares, and that:

- (i) the offer to purchase the Subscriber's Class C Shares was not made to the Subscriber in the United States,
- (ii) this Agreement was delivered to, executed and delivered by the Subscriber outside the United States,
- (iii) the Subscriber is not, and will not be purchasing the Subscriber's Class C Shares for the account or benefit of, any U.S. Person (as defined in the 1933 Act) or person in the United States,
- (iv) the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the 1933 Act,
- (v) the Subscriber and any person for whose account it is acquiring the Subscriber's Class C Shares, if applicable, has no intention to distribute either directly or indirectly any of the Securities in the United States, except in compliance with the 1933 Act, and
- (vi) if the Subscriber is a corporation, partnership or other legal entity incorporated or organized in the United States, the Subscriber's affairs are controlled and directed from outside of the United States, its purchase of the Securities was not solicited in the United States, no part of the transaction which is the subject of this Subscription Agreement occurred in the United States, and the Corporation has informed the Subscriber that no market for the Securities currently exists in the United States;
- (x) the Subscriber acknowledges that, in addition to any other requirements under applicable securities legislation to which a disposition of any of the Class C Shares by the Subscriber may be subject, the Subscriber may, depending on the nature of the disposition, be required to file a report of exempt trade within ten (10) days of a disposition by the Subscriber of the Class C Shares;
- (y) if required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Corporation in filing, such reports, undertakings and other documents with respect to the issue of the Class C Shares;
- (z) except as disclosed in writing to the Corporation, the Subscriber does not act jointly or in concert with any other person or company for the purposes of acquiring securities of the Corporation;
- (aa) the Subscriber is not a "control person" of the Corporation, as that term is defined in the *Securities Act* (British Columbia), will not become a "control person" of the Corporation by purchasing the number of Class C Shares subscribed for under this Subscription Agreement and does not intend to act jointly or in concert with any other person to form a control group in respect of the Corporation;

- (bb) the Subscriber has not relied upon any verbal or written representation as to fact or otherwise made by or on behalf of the Corporation except as expressly set forth herein;
  - (cc) the funds representing the Aggregate Subscription Amount which will be advanced by the Subscriber to the Corporation hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "**PCMLA**") and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge none of the subscription funds to be provided by the Subscriber: (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction; or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber. The Subscriber shall promptly notify the Corporation if the Subscriber discovers that any of such representations ceases to be true, and shall provide the Corporation with appropriate information in connection therewith;
  - (dd) the Subscriber acknowledges that the Corporation may complete additional financings in the future in order to develop the proposed business of the Corporation and to fund its ongoing development. There is no assurance that such financing will be available and if available, on reasonable terms. Any such future financings may have a dilutive effect on holders of Class C Shares, including the Subscriber; and
  - (ee) **the Subscriber acknowledges that an investment in the Class C Shares is subject to a number of risk factors. In particular, the Subscriber acknowledges that the Corporation is not a reporting issuer in any province of Canada and, as such, the applicable hold period may never expire. Accordingly, there is currently no market for any of the Class C Shares and one may never develop. It may be difficult or even impossible for a Subscriber to sell any of the Class C Shares. Resale of such Class C Shares will require the availability of exemptions from the prospectus requirements of applicable securities legislation, or the application for a discretionary order of the securities commission or similar regulatory authority in the subscriber's province of residence permitting the trade, as well as compliance with the constating documents of the Corporation. The Subscriber covenants and agrees to comply with the relevant securities legislation, orders or policies, and applicable corporate restrictions, concerning the purchase, holding of, and resale of the Class C Shares.**
4. **Timeliness of Representations, etc.** The Subscriber agrees that the representations, warranties and covenants of the Subscriber herein will be true and correct both as of the execution of this Subscription Agreement and as of the Closing Time (as defined herein), and will survive the completion of the distribution of the Class C Shares and any subsequent disposition by the Subscriber of any of the securities.
5. **Indemnity.** The Subscriber acknowledges that the Corporation and its counsel are relying upon the representations, warranties and covenants of the Subscriber set forth herein in determining the eligibility (from a securities law perspective) of the Subscriber (or, if applicable, the eligibility of another on whose behalf the Subscriber is contracting hereunder to subscribe for Class C Shares) to purchase Class C Shares under the Offering, and hereby agrees to indemnify the Corporation and its directors, officers, employees, advisers, affiliates, shareholders and agents (including their respective legal counsel) against all losses, claims, costs, expenses, damages or liabilities that they may suffer or incur as a result of or in connection with their reliance on such representations, warranties and covenants. The Subscriber undertakes to immediately notify the Corporation at Suite 1290, 625 Howe Street, Vancouver, British Columbia, V6C 2T6 of any

change in any statement or other information relating to the Subscriber set forth herein that occurs prior to the Closing Time.

6. **Deliveries by Subscriber prior to Closing.** The Subscriber agrees to deliver to the Corporation not later than 2:00 p.m. (Pacific time) on the day that is two business days before any Closing Date of which the Subscriber receives notice:

- (a) this duly completed and executed Subscription Agreement;
- (b) a certified cheque or bank draft made payable to "N.A. Energy Resources Investment Corporation" in an amount equal to the Aggregate Subscription Amount, or payment of the same amount in such other manner as is acceptable to the Corporation;
- (c) properly completed and duly executed copies of the appropriate form(s) as described on pages 2 to 3 of this Subscription Agreement; and
- (d) such other documents as may be requested by the Corporation as contemplated by this Subscription Agreement.

7. **Consent to Collection of Personal Information.** If the Subscriber is an individual, the Subscriber acknowledges that the Subscriber has provided, in this Subscription Agreement, to the Corporation information (the "**Personal Information**") of a personal nature that may or may not be protected under applicable privacy legislation. This information is being collected, used and may be disclosed by the Corporation for the following purposes (the "**Purposes**"):

- (a) in order to complete the Offering;
- (b) to be kept in the corporate records of the Corporation, on its securities registers and shareholder lists, maintained by the Corporation and/or the Corporation's transfer agent;
- (c) to be disclosed to Securities/Tax regulatory authorities or other government bodies as required and in accordance with applicable securities laws and tax laws;
- (d) as long as the Subscriber is a shareholder of the Corporation, to be disclosed to other third parties held to an obligation of confidentiality to the Corporation such as its legal counsel, its accountants, transfer agent, securities depository, or any other entity for: (i) the purpose of sending financial statements and other disclosure documentation required to be sent by law to the shareholders of the Corporation, and/or (ii) in the context of a proposed merger, business combination, acquisition, takeover bid or such other major transaction involving the Corporation and such other third party; and
- (e) to enforce the obligations contemplated by this Subscription Agreement.

The Subscriber or the person subscribing for the Class C Shares on behalf of a disclosed beneficial purchaser hereby consents to the collection, use and disclosure by the Corporation of the Personal Information for the Purposes.

Certain securities commissions have been granted the authority to indirectly collect this personal information pursuant to securities legislation and this personal information is also being collected for the purpose of administration and enforcement of securities legislation. In Ontario, the Administrative Support Clerk to the Director of Corporate Finance, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone (416) 593-3684, Facsimile: (416) 593-8252 is the public official who can answer questions about the indirect collection of personal information. The Subscriber's personal information may be disclosed by the Corporation or its counsel to: (w) stock exchanges, securities commissions or securities regulatory authorities; (x) the Corporation's

registrar and transfer agent; (y) taxation authorities; and (z) any of the other parties involved in the Offering, including legal counsel. By executing this Subscription Agreement, the Subscriber is deemed to be authorizing and consenting to the foregoing collection (including the indirect collection of personal information), use and disclosure of the Subscriber's personal information as set forth above. The Subscriber also consents to the filing of copies or originals of any of the Subscriber's documents described in this Subscription Agreement as may be required to be filed with any stock exchange, securities commission or securities regulatory authority in connection with the transactions contemplated hereby.

8. **Partial Acceptance or Rejection of Subscription.** The Corporation may, in its absolute discretion, accept or reject the Subscriber's subscription for Class C Shares as set forth in this Subscription Agreement, in whole or in part, and the Corporation reserves the right to allot to the Subscriber less than the amount of Class C Shares subscribed for under this Subscription Agreement.

**Notwithstanding the foregoing, the Subscriber acknowledges and agrees that the acceptance of this Subscription Agreement will be conditional upon among other things, the sale of the Class C Shares to the Subscriber being exempt from any prospectus and offering memorandum requirements of applicable securities laws. The Corporation will be deemed to have accepted this Subscription Agreement upon (a) the delivery at Closing of the certificates representing the Class C Shares to the Subscriber, in the case of a certificated issuance; (b) the delivery at Closing of confirmation of electronic registration in the NCI system representing the Class C Shares to the Subscriber, in the case an electronic issuance; or (c) upon the direction of the Subscriber in accordance with the provisions hereof.**

**If this Subscription Agreement is rejected in whole, any certified cheque(s) or bank draft(s) delivered by the Subscriber to the Corporation on account of the Aggregate Subscription Amount for the Class C Shares subscribed for will be promptly returned to the Subscriber without interest. If this Subscription Agreement is accepted only in part, a cheque representing the amount by which the payment delivered by the Subscriber to the Corporation exceeds the subscription price of the number of Class C Shares sold to the Subscriber pursuant to a partial acceptance of this Subscription Agreement will be promptly delivered to the Subscriber without interest.**

9. **Time and Place of Closing.** The sale of the Class C Shares will be completed at the offices of the Corporation, in Vancouver, British Columbia at 2:00 p.m. (Pacific time) or such other time as the Corporation may determine (the "**Closing Time**") on the Closing Date. The Corporation reserves the right to close the Offering in multiple tranches, so that one or more closings may occur after the initial closing.
10. **Subject to Regulatory Approval.** The obligations of the parties hereunder are subject to all required regulatory approvals being obtained.
11. **Representations and Warranties of the Corporation.** The Corporation hereby represents and warrants to the Subscriber (and acknowledges that the Subscriber is relying thereon) that:
- (a) the Corporation has the full corporate right, power and authority to execute and deliver this Subscription Agreement and to issue the Class C Shares to the Subscriber;
  - (b) the Corporation is duly incorporated and validly subsisting, and is qualified to carry on business in each jurisdiction in respect of which the carrying out of the activities contemplated hereby makes such qualification necessary;

- (c) the Corporation has complied or will comply with all applicable corporate and Securities laws in connection with the offer and sale of the Class C Shares;
  - (d) upon acceptance by the Corporation, this Subscription Agreement shall constitute a binding obligation of the Corporation enforceable in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the general principles of equity including the fact that specific performance is available only in the discretion of the court; and
  - (e) the execution, delivery and performance of this Subscription Agreement by the Corporation and the issue of the Class C Shares to the Subscriber pursuant hereto does not and will not constitute a breach of or default under the constating documents of the Corporation, or any law, regulation, order or ruling applicable to the Corporation, or any agreement to which the Corporation is a party or by which it is bound.
  - (f) The Class C Shares will, upon issue and delivery, be validly issued as fully paid and non-assessable.
12. **No Partnership.** Nothing herein shall constitute or be construed to constitute a partnership of any kind whatsoever between the Subscriber and the Corporation.
  13. **Governing Law.** The contract arising out of acceptance of this Subscription Agreement by the Corporation shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of British Columbia.
  14. **Time of Essence.** Time shall be of the essence in this Subscription Agreement.
  15. **Entire Agreement.** This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof, and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.
  16. **Facsimile Copies.** The Corporation shall be entitled to rely on delivery of a facsimile copy of executed subscriptions, and acceptance by the Corporation of such facsimile subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the Corporation in accordance with the terms hereof.
  17. **Counterpart.** This Subscription 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.
  18. **Severability.** The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.
  19. **Survival.** The covenants, representations and warranties contained in this Subscription Agreement shall survive the closing of the transactions contemplated hereby, and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.
  20. **Interpretation.** The headings used in this Subscription Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Subscription Agreement or any provision hereof. In this Subscription Agreement, all references to money amounts are to Canadian dollars.

21. **Amendment.** Except as otherwise provided herein, this Subscription Agreement may only be amended by the parties hereto in writing.
22. **Costs.** The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the sale of the Class C Shares to the Subscriber shall be borne by the Subscriber.
23. **Withdrawal.** The Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder, agrees that this subscription is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder.
24. **Assignment.** Neither party may assign all or part of its interest in or to this Subscription Agreement without the consent of the other party in writing.
25. **Language.** The Subscriber acknowledges that it has consented to and requested that all documents evidencing or relating in any way to the sale of the Class C Shares be drawn up in the English language only. **Le souscripteur reconnaît par les présentes avoir consenti et exigé que tous les documents faisant foi ou se rapportant de quelque manière à la vente des bons de souscription spéciaux soient rédigés en anglais seulement.**

**EXHIBIT B****ACCREDITED INVESTOR REPRESENTATION LETTER**

**To: N.A. Energy Resources Investment Corporation (the “Corporation”)**

In connection with the purchase of Class A Non-Voting Shares of the Corporation (“**Class C Shares**”) by the undersigned subscriber (the “**Subscriber**”), the Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

1. The Subscriber is resident in the jurisdiction as set forth on page 4 of this Subscription Agreement or is subject to the securities laws of such jurisdiction;
2. The Subscriber is purchasing the Class C Shares as principal for its own account or is deemed to be purchasing the Class C Shares as principal, pursuant to the provisions of National Instrument 45-106 - *Prospectus Exemptions* (“**NI 45-106**”);
3. The Subscriber is an “accredited investor” within the meaning of NI 45-106 or the *Securities Act* (Ontario) by virtue of satisfying the indicated criterion as set out in the Accredited Investor Status Certificate attached as EXHIBIT C;
4. Upon execution of this EXHIBIT B by the Subscriber, this EXHIBIT B (together with EXHIBIT C, and all other applicable Exhibits) shall be incorporated into and form a part of the Subscription Agreement; and
5. If any of the foregoing representations and warranties ceases to be correct at any time prior to the Closing, the Subscriber will immediately provide written notice to the Corporation.

The foregoing representations, warranties and covenants are true and accurate as of the date of this Accredited Investor Representation Letter and will be true and accurate as of the Closing.

**IN WITNESS WHEREOF, the undersigned has executed this Accredited Investor Representation Letter as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_\_.**

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

**IMPORTANT: YOU MUST INITIAL THE CATEGORY OR CATEGORIES IN EXHIBIT C, WHICH BEGINS ON THE NEXT PAGE, THAT DESCRIBES HOW YOU QUALIFY AS AN ACCREDITED INVESTOR, AND COMPLY WITH THE INSTRUCTIONS UNDER SUCH CATEGORY OR CATEGORIES, AS APPLICABLE.**



## EXHIBIT C

### ACCREDITED INVESTOR STATUS CERTIFICATE

The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.

All money references are in Canadian Dollars.

The Subscriber is (and at the Closing Time will be) an accredited investor within the meaning of National Instrument 45-106 – *Prospectus Exemptions* or the *Securities Act* (Ontario) by virtue of being **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	a.	except in Ontario, a <b>Canadian financial institution</b> , or a <b>Schedule III bank</b> ;
	a.1	in Ontario, a bank listed in Schedule I, II or III of the <i>Bank Act</i> (Canada), as an association to which the <i>Cooperative Credit Associations Act</i> (Canada) applies or a contract cooperative credit society for which an order has been made under subsection 473(1) of the Act, or a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;
	b.	the Business Development Bank of Canada incorporated under the <i>Business Development Bank of Canada Act</i> (Canada);
	c.	a <b>subsidiary</b> of any <b>person</b> referred to in paragraphs (a), (a.1) or (b), if the <b>person</b> owns all of the voting securities of the <b>subsidiary</b> , except the voting securities required by law to be owned by <b>directors</b> of that subsidiary;
	d.	except in Ontario, a <b>person</b> registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer; <b>[Instructions: Please include proof of registration.]</b>
	d.1	in Ontario, a <b>person</b> or company registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer; <b>[Instructions: Please include proof of registration.]</b>
	e.	an <b>individual</b> registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d); <b>[Instructions: Please include proof of registration.]</b>
	e.1	an <b>individual</b> formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as an representative of a limited market dealer under one or both of the <i>Securities Act</i> (Ontario) or the <i>Securities Act</i> (Newfoundland and Labrador); <b>[Instructions: Please include proof of former registration.]</b>

f.	the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
g.	a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
h.	any national, federal, state, provincial, territorial or municipal government of or in any <b>foreign jurisdiction</b> , or any agency of that government;
i.	a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;
j.	<p>an <b>individual</b> who, either alone or with a <b>spouse</b>, beneficially owns <b>financial assets</b> having an aggregate realizable value that before taxes, but net of any <b>related liabilities</b>, exceeds \$1,000,000;</p> <p><b><i>[Instructions: Please complete, date and execute the Accredited Investor Profile and Form 45-106F9 Individual Accredited Investor Risk Acknowledgement Form, attached as EXHIBIT D and EXHIBIT E, respectively.]</i></b></p>
j.1.	<p>an <b>individual</b> who beneficially owns <b>financial assets</b> having an aggregate realizable value that, before taxes but net of any <b>related liabilities</b>, exceeds \$5,000,000;</p> <p><b><i>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT D.]</i></b></p>
k.	<p>an <b>individual</b> whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a <b>spouse</b> exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;</p> <p><b><i>[Instructions: Please complete, date and execute the Accredited Investor Profile and Form 45-106F9 Individual Accredited Investor Risk Acknowledgement Form, attached as EXHIBIT D and EXHIBIT E, respectively.]</i></b></p>
l.	<p>an <b>individual</b> who, either alone or with a <b>spouse</b>, has <b>net assets</b> of at least \$5,000,000;</p> <p><b><i>[Instructions: Please complete, date and execute the Accredited Investor Profile and Form 45-106F9 Individual Accredited Investor Risk Acknowledgement Form, attached as EXHIBIT D and EXHIBIT E, respectively.]</i></b></p>
m.	<p>a <b>person</b>, other than an <b>individual</b> or <b>investment fund</b>, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements (prepared in accordance with applicable generally accepted accounting principles);</p> <p><b><i>[Note: a person is not eligible under this paragraph m if it was created or is being used solely to purchase or hold securities as an accredited investor in reliance upon this paragraph.]</i></b></p> <p><b><i>[Instructions: Please include a copy of your most recently prepared financial statements.]</i></b></p>

n.	<p>an <b>investment fund</b> that distributes or has distributed its securities only to</p> <ul style="list-style-type: none"> <li>(i) a <b>person</b> that is or was an accredited investor at the time of the distribution,</li> <li>(ii) a <b>person</b> that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment], or 2.19 [Additional investment in investment funds] of the <b>instrument</b> or their equivalents under securities legislation of an applicable jurisdiction as specified in sections 8.1 and 8.2 of the <b>instrument</b>, or</li> <li>(iii) a <b>person</b> described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [Investment fund reinvestment] of the <b>instrument</b>;</li> </ul> <p><b><i>[Instructions: Please provide a list of securityholders and for each securityholder confirm which category of accredited investor he/she/it purchased the securities of the investment fund under and either provide evidence of (i) the purchaser's accredited investor status on the date of subscription or (ii) amount of aggregate subscription cost. We may ask for additional documentation.]</i></b></p>
o.	<p>an <b>investment fund</b> that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;</p>
p.	<p>a trust company or trust corporation registered or authorized to carry on business under the <i>Trust and Loan Companies Act</i> (Canada) or under comparable legislation in a jurisdiction of Canada or a <b>foreign jurisdiction</b>, acting on behalf of a <b>fully managed account</b> managed by the trust company or trust corporation, as the case may be;</p> <p><b><i>[Instructions: Please include proof of registration or authorization to carry on business.]</i></b></p>
q.	<p>a <b>person</b> acting on behalf of a <b>fully managed account</b> managed by that <b>person</b>, if that <b>person</b></p> <ul style="list-style-type: none"> <li>(i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a <b>foreign jurisdiction</b>, and</li> <li>(ii) in Ontario, is purchasing a security that is not a security of an investment fund;</li> </ul> <p><b><i>[Instructions: Please include proof of registration or authorization to carry on business as an advisor or equivalent.]</i></b></p>
r.	<p>a registered charity under the <i>Income Tax Act</i> (Canada) that, in regard to the trade, has obtained advice from an <b>eligibility adviser</b> or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;</p>
s.	<p>an entity organized in (d) or paragraph (i) in form and function;</p> <p><b><i>[Instructions: If you are analogous to an entity referred to in paragraph (d), please include proof of registration.]</i></b></p>

t.	<p>a <b>person</b> in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by <b>directors</b>, are persons that are accredited investors;</p> <p><i><b>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have each owner complete, date and execute (i) the Underlying Accredited Investor Status Certificate attached as EXHIBIT F, and (ii) if such beneficial owner is an individual, the Accredited Investor Profile attached as EXHIBIT D.]</b></i></p>
u.	<p>an <b>investment fund</b> that is advised by a <b>person</b> registered as an adviser or a <b>person</b> that is exempt from registration as an adviser;</p> <p><i><b>[Instructions: Please include proof of registration or exemption from registration of the person that advises the investment fund.]</b></i></p>
v.	<p>a <b>person</b> that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or</p> <p><i><b>[Instructions: Please include proof of recognition or designation.]</b></i></p>
w.	<p>a trust established by an accredited investor (the “Settlor”) for the benefit of the accredited investor’s family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor’s <b>spouse</b>, a former <b>spouse</b> of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of the accredited investor, of that accredited investor’s <b>spouse</b> or of that accredited investor’s former <b>spouse</b>.</p> <p><i><b>[Instructions: Please include a copy of the trust agreement establishing the trust and have the Settlor and a majority of the trustees complete, date and execute ((i) the Underlying Accredited Investor Status Certificate attached as EXHIBIT F, and (ii) if such beneficial owner is an individual, the Accredited Investor Profile attached as EXHIBIT D.)]</b></i></p>

IN WITNESS WHEREOF, the undersigned has executed this Accredited Investor Status Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

For the purposes hereof, the following definitions are included for convenience:

“**Canadian financial institution**” means

- (i) an association governed by the *Cooperative Credit Association Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
- (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

**“company”** means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

**“control”** - a person (first person) is considered to control another person (second person) if

- (i) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
- (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
- (iii) the second person is a limited partnership and the general partner of the limited partnership is the first person.

**“director”** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**“eligibility advisor”** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction off Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - a. have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - b. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**“EVCC”** means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia) and whose business objective is making multiple investments;

**“executive officer”** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer.

**“financial assets”** means

- (i) cash,
- (ii) securities, or
- (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

**NOTE:** the value of an investor's personal residence or other real estate is not included in the calculation of financial assets

**“financial statements”** includes interim financial reports;

**“foreign jurisdiction”** means a country other than Canada or a political subdivision of a country other than Canada;

**“founder”** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer.

**"fully managed account"** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

**"individual"** means a natural person, but does not include a partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust or a natural person in his or her capacity as trustee, executor, administrator or other legal personal representative;

**"instrument"** means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;

**"investment fund"** means a mutual fund or a non-redeemable investment fund, and for greater certainty in British Columbia, includes an EVCC or a VCC;

**"mutual fund"** means an issuer whose primary purpose is to invest money provided by its security holders and whose securities entitle the holder to receive on demand, or within a specified period after the demand, an amount computed by reference to the value of the proportionate interest in the whole or part of the net assets, including a separate fund or trust account, of the issuer;

**"net assets"** includes all of the Subscriber's total assets minus all of the Subscriber's total liabilities; as a result, the calculation of total assets would include the value of the Subscriber personal residence or other real estate and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence or other real estate; income tax should also be considered a liability if the obligation to pay it is outstanding at the Closing;

**"non redeemable investment fund"** means an issuer:

- (i) whose primary purpose is to invest money provided by its securityholders,
- (ii) that does not invest,
  - a. for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or
  - b. for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and
- (iii) that is not a mutual fund;

**"person"** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

**"related liabilities"** means

- (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
- (ii) liabilities that are secured by financial assets;

**"Schedule III bank"** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

**"spouse"** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

**"subsidiary"** means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary; and

**"VCC"** means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), whose business objective is making multiple investments.

**EXHIBIT D**

**ACCREDITED INVESTOR PROFILE**

Securities legislation requires that the Corporation obtain detailed information about its investors. We collect and maintain your personal information in order to allow us to establish your identity and verify your Accredited Investor status. Please fill in **ALL** parts of the form that begins on the next page, or indicate "Not Applicable" and **DO NOT LEAVE ANY AREAS BLANK**. Please advise the Corporation whenever there is any change to this information.

<b>INVESTOR INFORMATION:</b>				
<input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Dr.				
First Name:		Last Name:		
Province / Territory of Residency:				
Residential Address:		City	Province	Postal Code
Home Phone #	Business Phone #	Cell #	Fax #	
Employment Status <input type="checkbox"/> Employed <input type="checkbox"/> Self Employed <input type="checkbox"/> Student <input type="checkbox"/> Homemaker <input type="checkbox"/> Unemployed <input type="checkbox"/> Retired (Please indicate previous employment information)				
Occupation	Employer's Name	Employer Address	Type of Business	Years with Employer
Spouse's Name <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Dr. First Name:                      Last Name:		Occupation of Spouse	Spouse's Employer's Name	Years with Employer
<b>INVESTOR PROFILE – Please check all applicable boxes</b>				
<b>Financial assets</b> (cash + insurance contracts + securities + deposits that are not a security – liabilities incurred or assumed to finance acquisition of financial assets or liabilities secured by financial assets) <input type="checkbox"/> Less than \$1 Million, Individual with or without spouse <input type="checkbox"/> Between \$1 Million and \$5 Million, Individual with or without spouse <input type="checkbox"/> More than \$5 Million, Individual only <b>Net Assets</b> (net financial assets + fixed and long term assets – liabilities incurred or assumed to finance acquisition of fixed or long term assets or liabilities secured by fixed or long term assets) <input type="checkbox"/> Less than \$5 Million, Individual with or without spouse <input type="checkbox"/> More than \$5 Million, Individual with or without spouse <b>Net Income</b> (Net Income before taxes in each of the 2 most recent calendar years, and expected Net Income before taxes from the current calendar year)				
<b>2015</b>		<b>2016</b>		<b>Expected 2017</b>
<input type="checkbox"/> Less than \$200,000 individual only	<input type="checkbox"/> Less than \$200,000 individual only	<input type="checkbox"/> Less than \$200,000 individual only		
<input type="checkbox"/> More than \$200,000 individual only	<input type="checkbox"/> More than \$200,000 individual only	<input type="checkbox"/> More than \$200,000 individual only		
<input type="checkbox"/> Less than \$300,000 combined individual and spouse	<input type="checkbox"/> Less than \$300,000 combined individual and spouse	<input type="checkbox"/> Less than \$300,000 combined individual and spouse		
<input type="checkbox"/> More than \$300,000 combined individual and spouse	<input type="checkbox"/> More than \$300,000 combined individual and spouse	<input type="checkbox"/> More than \$300,000 combined individual and spouse		
The above information is true and complete.		DATE		
<b>X</b> _____ <b>INVESTOR SIGNATURE</b>				

1. We are obliged to verify the identity of our investors in accordance with applicable securities legislation and appreciate your understanding and cooperation in meeting this requirement.
2. All investor information is considered confidential and is protected by the *Personal Information Protection and Electronic Documents Act* (PIPEDA). We will not disclose any such information except in response to a legally enforceable demand or to bona fide regulatory authorities with jurisdiction over N.A. Energy Resources Investment Corporation.



## EXHIBIT E

### FORM 45-106F9 - INDIVIDUAL ACCREDITED INVESTOR RISK ACKNOWLEDGEMENT FORM

To be completed, dated and executed by individual accredited investors who satisfy at least one of the categories set forth in Section 3 below.

#### WARNING!

**This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.**

<b>1. About your investment</b>	
Type of securities: <b>Class C Non-Voting Shares</b>	Issuer: <b>N.A. Energy Resources Investment Corporation</b>
Purchased from: <b>N.A. Energy Resources Investment Corporation</b>	
<b>SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER</b>	
<b>2. Risk acknowledgement</b>	
This investment is risky. Initial that you understand that:	<b>Your initials</b>
<b>Risk of loss</b> – You could lose your entire investment of \$_____. <i>[Instruction: Insert the total dollar amount of the investment.]</i>	
<b>Liquidity risk</b> – You may not be able to sell your investment quickly – or at all.	
<b>Lack of information</b> – You may receive little or no information about your investment.	
<b>Lack of advice</b> – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to <a href="http://www.aretheyregistered.ca">www.aretheyregistered.ca</a> .	
<b>3. Accredited investor status</b>	
You must meet at least <b>one</b> of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	<b>Your initials</b>
• Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)</li> </ul> |  |
|---|--|

#### 4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

First and last name (please print):

Signature:

Date:

#### 5. Salesperson information

First and last name of salesperson (please print):

Telephone:

Email:

Name of firm:

#### 6. For more information about this investment

N.A. Energy Resources Investment Corporation

Suite 1290, 625 Howe Street  
Vancouver, BC V6C 2T6

Phone: (604) 259-2525

E-mail: [info@energyresourcescorp.ca](mailto:info@energyresourcescorp.ca)

**For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at [www.securities-administrators.ca](http://www.securities-administrators.ca).**

## EXHIBIT F

### UNDERLYING ACCREDITED INVESTOR STATUS CERTIFICATE

**You are required to fully complete, date and execute this form if the boxes beside Items (t) or (w) in the Accredited Investor Status Certificate were initialed.**

*The categories listed herein contain certain specifically defined terms which are in **bold**. Definitions for these terms are included in this certificate. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.*

All money references are in Canadian Dollars.

The undersigned is \_\_\_\_\_ (securityholder, trustee or settlor) of the Subscriber and is (and at the Closing Time will be) an "accredited investor" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, by virtue of being **(PLEASE INITIAL BESIDE THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR AND FOLLOW THE INSTRUCTIONS, IF ANY, SET OUT IN SUCH CATEGORY):**

	a.	except in Ontario, a <b>Canadian financial institution</b> , or a <b>Schedule III bank</b> ;
	a.1	in Ontario, a bank listed in Schedule I, II or III of the <i>Bank Act</i> (Canada), as an association to which the <i>Cooperative Credit Associations Act</i> (Canada) applies or a contract cooperative credit society for which an order has been made under subsection 473(1) of the Act, or a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;
	b.	the Business Development Bank of Canada incorporated under the <i>Business Development Bank of Canada Act</i> (Canada);
	c.	a <b>subsidiary</b> of any <b>person</b> referred to in paragraphs (a), (a.1) or (b), if the <b>person</b> owns all of the voting securities of the <b>subsidiary</b> , except the voting securities required by law to be owned by <b>directors</b> of that subsidiary;
	d.	except in Ontario, a <b>person</b> registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer; <b>[Instructions: Please include proof of registration.]</b>
	d.1	in Ontario, a <b>person</b> or company registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer; <b>[Instructions: Please include proof of registration.]</b>
	e.	an <b>individual</b> registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d); <b>[Instructions: Please include proof of registration.]</b>
	e.1	an <b>individual</b> formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as an representative of a limited market dealer under one or both of the <i>Securities Act</i> (Ontario) or the <i>Securities Act</i> (Newfoundland and Labrador);

		<b><i>[Instructions: Please include proof of former registration.]</i></b>
	f.	the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
	g.	a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
	h.	any national, federal, state, provincial, territorial or municipal government of or in any <b>foreign jurisdiction</b> , or any agency of that government;
	i.	a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;
	j.	an <b>individual</b> who, either alone or with a <b>spouse</b> , beneficially owns <b>financial assets</b> having an aggregate realizable value that before taxes, but net of any <b>related liabilities</b> , exceeds \$1,000,000;  <b><i>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT D.]</i></b>
	j.1.	an <b>individual</b> who beneficially owns <b>financial assets</b> having an aggregate realizable value that, before taxes but net of any <b>related liabilities</b> , exceeds \$5,000,000;  <b><i>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT D.]</i></b>
	k.	an <b>individual</b> whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a <b>spouse</b> exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;  <b><i>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT D.]</i></b>
	l.	an <b>individual</b> who, either alone or with a <b>spouse</b> , has <b>net assets</b> of at least \$5,000,000;  <b><i>[Instructions: Please complete, date and execute the Accredited Investor Profile attached as EXHIBIT D.]</i></b>
	m.	a <b>person</b> , other than an <b>individual</b> or <b>investment fund</b> , that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements (prepared in accordance with applicable generally accepted accounting principles);  <b>[Note: a person is not eligible under this paragraph m if it was created or is being used solely to purchase or hold securities as an accredited investor in reliance upon this paragraph.]</b>  <b><i>[Instructions: Please include a copy of your most recently prepared financial statements.]</i></b>

n.	<p>an <b>investment fund</b> that distributes or has distributed its securities only to</p> <ul style="list-style-type: none"> <li>(i) a <b>person</b> that is or was an accredited investor at the time of the distribution,</li> <li>(ii) a <b>person</b> that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment], or 2.19 [Additional investment in investment funds] of the <b>instrument</b> or their equivalents under securities legislation of an applicable jurisdiction as specified in sections 8.1 and 8.2 of the <b>instrument</b>, or</li> <li>(iii) a <b>person</b> described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [Investment fund reinvestment] of the <b>instrument</b>;</li> </ul> <p><b><i>[Instructions: Please provide a list of securityholders and for each securityholder confirm which category of accredited investor he/she/it purchased the securities of the investment fund under and either provide evidence of (i) the purchaser's accredited investor status on the date of subscription or (ii) amount of aggregate subscription cost. We may ask for additional documentation.]</i></b></p>
o.	<p>an <b>investment fund</b> that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;</p>
p.	<p>a trust company or trust corporation registered or authorized to carry on business under the <i>Trust and Loan Companies Act</i> (Canada) or under comparable legislation in a jurisdiction of Canada or a <b>foreign jurisdiction</b>, acting on behalf of a <b>fully managed account</b> managed by the trust company or trust corporation, as the case may be;</p> <p><b><i>[Instructions: Please include proof of registration or authorization to carry on business.]</i></b></p>
q.	<p>a <b>person</b> acting on behalf of a <b>fully managed account</b> managed by that <b>person</b>, if that <b>person</b></p> <ul style="list-style-type: none"> <li>(i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a <b>foreign jurisdiction</b>, and</li> <li>(ii) in Ontario, is purchasing a security that is not a security of an investment fund;</li> </ul> <p><b><i>[Instructions: Please include proof of registration or authorization to carry on business as an advisor or equivalent.]</i></b></p>
r.	<p>a registered charity under the <i>Income Tax Act</i> (Canada) that, in regard to the trade, has obtained advice from an <b>eligibility adviser</b> or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;</p>
s.	<p>an entity organized in a <b>foreign jurisdiction</b> that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;</p> <p><b><i>[Instructions: If you are analogous to an entity referred to in paragraph (d), please include proof of registration.]</i></b></p>

t.	<p>a <b>person</b> in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by <b>directors</b>, are persons that are accredited investors;</p> <p><i><b>[Instructions: Please include a register of shareholders (or equivalent) showing the names of all beneficial owners of interests and have each owner complete, date and execute (i) a copy of this Underlying Accredited Investor Status Certificate, and (ii) if such beneficial owner is an individual, the Accredited Investor Profile attached as EXHIBIT D.]</b></i></p>
u.	<p>an <b>investment fund</b> that is advised by a <b>person</b> registered as an adviser or a <b>person</b> that is exempt from registration as an adviser;</p> <p><i><b>[Instructions: Please include proof of registration or exemption from registration of the person that advises the investment fund.]</b></i></p>
v.	<p>a <b>person</b> that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or</p> <p><i><b>[Instructions: Please include proof of recognition or designation.]</b></i></p>
w.	<p>a trust established by an accredited investor (the "Settlor") for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's <b>spouse</b>, a former <b>spouse</b> of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of the accredited investor, of that accredited investor's <b>spouse</b> or of that accredited investor's former <b>spouse</b>.</p> <p><i><b>[Instructions: Please include a copy of the trust agreement establishing the trust and have the Settlor and a majority of the trustees complete, date and execute (i) a copy of this Underlying Accredited Investor Status Certificate, and (ii) if such beneficial owner is an individual, the Accredited Investor Profile attached as EXHIBIT D.]</b></i></p>

IN WITNESS WHEREOF, the undersigned has executed this Underlying Accredited Investor Status Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

For the purposes hereof, the following definitions are included for convenience:

**“Canadian financial institution”** means

- (i) an association governed by the *Cooperative Credit Association Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
- (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

**“company”** means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

**“control”** - a person (first person) is considered to control another person (second person) if

- (i) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
- (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
- (iii) the second person is a limited partnership and the general partner of the limited partnership is the first person.

**“director”** means

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**“eligibility advisor”** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction off Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - a. have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - b. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**“EVCC”** means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia) and whose business objective is making multiple investments;

**“executive officer”** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (iii) performing a policy-making function in respect of the issuer.

**“financial assets”** means

- (i) cash,
- (ii) securities, or
- (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

**NOTE:** the value of an investor's personal residence or other real estate is not included in the calculation of financial assets

**“financial statements”** includes interim financial reports;

**“foreign jurisdiction”** means a country other than Canada or a political subdivision of a country other than Canada;

**“founder”** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer.

**"fully managed account"** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

**"individual"** means a natural person, but does not include a partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust or a natural person in his or her capacity as trustee, executor, administrator or other legal personal representative;

**"instrument"** means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;

**"investment fund"** means a mutual fund or a non-redeemable investment fund, and for greater certainty in British Columbia, includes an EVCC or a VCC;

**"mutual fund"** means an issuer whose primary purpose is to invest money provided by its security holders and whose securities entitle the holder to receive on demand, or within a specified period after the demand, an amount computed by reference to the value of the proportionate interest in the whole or part of the net assets, including a separate fund or trust account, of the issuer;

**"net assets"** includes all of the Subscriber's total assets minus all of the Subscriber's total liabilities; as a result, the calculation of total assets would include the value of the Subscriber personal residence or other real estate and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence or other real estate; income tax should also be considered a liability if the obligation to pay it is outstanding at the Closing;

**"non redeemable investment fund"** means an issuer:

- (i) whose primary purpose is to invest money provided by its securityholders,
- (ii) that does not invest,
  - a. for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or
  - b. for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and
- (iii) that is not a mutual fund;

**"person"** includes

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

**"related liabilities"** means

- (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
- (ii) liabilities that are secured by financial assets;

**"Schedule III bank"** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

**"spouse"** means, an individual who

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) to (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

**"subsidiary"** means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary; and

**"VCC"** means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), whose business objective is making multiple investments.



**EXHIBIT G**

**NORTHWEST EXEMPTION RISK ACKNOWLEDGEMENT FORM**

**TO BE EXECUTED WHERE THE PARTY SELLING THE CLASS C SHARES IS  
NOT REGISTERED UNDER NATIONAL INSTRUMENT 31-103**

If the Class C Shares are being sold by a party pursuant to the terms and conditions of the Alberta Securities Commission Blanket Order 31-505, British Columbia Securities Commission Instrument 32-513, Manitoba Securities Commission Blanket Order 31-505 or Saskatchewan Financial Services Commission General Order 45-918, then two copies of this EXHIBIT G must be duly completed, dated and executed. Retain one copy for your records and deliver the other copy to the Corporation.

<b>Risk Acknowledgement Registration Exemption for Trades in Connection with Certain Prospectus Exempt Distributions</b>		<b>W A R N I N G</b>
Name of Issuer: <u>N.A. ENERGY RESOURCES INVESTMENT CORPORATION</u>		
Name of Seller: _____		
<b>I acknowledge that:</b>		
1. the person selling me these securities is not registered with a securities regulatory authority and is prohibited from telling me that this investment is suitable for me;		
2. the person selling me these securities does not act for me;		
3. this is a risky investment and I could lose all my money; and		
4. I am investing entirely at my own risk.		
Date _____	Signature of Purchaser _____	
	Print name of Purchaser _____	
Name of salesperson acting on behalf of seller _____		
<b>Sign 2 copies of this document. Keep one copy for your records.</b>		

National Instrument 45-106 *Prospectus Exemptions* may require you to sign an additional risk acknowledgement form. If you want advice about the merits of this investment and whether these securities are a suitable investment for you, contact a registered adviser or dealer.

**EXHIBIT H**

**INTERNATIONAL JURISDICTION CERTIFICATE**

**(JURISDICTIONS OTHER THAN CANADA OR THE UNITED STATES)**

TO: **N.A. ENERGY RESOURCES INVESTMENT CORPORATION (the “Corporation”)**

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In connection with the purchase by the undersigned Subscriber of the Class C Shares, the Subscriber hereby represents, warrants, covenants and certifies to the Corporation (and acknowledges that the Corporation and its counsel are relying thereon) that the Subscriber:

- (a) is knowledgeable of, or has been independently advised as to the applicable securities laws of the securities regulatory authorities (the “**Authorities**”) having application in the jurisdiction in which the Subscriber is resident (the “**International Jurisdiction**”) which would apply to the acquisition of the Class C Shares, if any;
- (b) is purchasing the Class C Shares pursuant to exemptions from the prospectus and registration or equivalent requirements under the applicable securities laws of the Authorities in the International Jurisdiction or, if such is not applicable, the Subscriber is permitted to purchase the Class C Shares under the applicable securities laws of the Authorities in the International Jurisdiction without the need to rely on any exemption;
- (c) confirms that the applicable securities laws of the Authorities in the International Jurisdiction do not require the Corporation to make any filings or seek any approvals of any nature whatsoever from any Authority of any kind whatsoever in the International Jurisdiction in connection with the issue and sale or resale of the Class C Shares;
- (d) confirms that the purchase of the Class C Shares by the Subscriber does not trigger:
  - (i) an obligation make any filings or seek any approvals of any kind whatsoever from any securities regulators of any kind whatsoever or to prepare and file a registration statement, offering memorandum, prospectus, offering circular or similar document, or any other report with respect to such purchase in the International Jurisdiction,
  - (ii) continuous disclosure reporting obligations of the Corporation in the International Jurisdiction, or
  - (iii) any registration or other obligation on the part of the Corporation;
- (e) confirms that the distribution of the Class C Shares to the Subscriber by the Corporation complies with the laws of the International Jurisdiction; and
- (f) the Subscriber will, if requested by the Corporation, comply with such other requirements as the Corporation may reasonably require.

**[THIS SPACE INTENTIONALLY LEFT BLANK.]**

The foregoing representations contained in this International Jurisdiction Certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing. If any such representations shall not be true and accurate prior to the Closing, the undersigned shall give immediate written notice of such fact to the Corporation prior to the Closing.

**IN WITNESS WHEREOF, the undersigned has executed this International Jurisdiction Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.**

\_\_\_\_\_  
Signature of individual (if Subscriber **is** an individual)

\_\_\_\_\_  
Authorized signatory (if Subscriber **is not** an individual)

\_\_\_\_\_  
Name of Subscriber (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)