

THIS PURCHASE AND SALE AGREEMENT (the "**Agreement**") is made this ___ day of _____, 2021.

BETWEEN:

MT INVESTMENTS INC.
(the "**Vendor**")

-and-

[insert]
(the "**Purchaser**")

RECITALS:

- A. the Vendor is the registered and beneficial owner of the land described in Schedule "A" (the "**Property**"); and
- B. the Vendor desires to sell, and the Purchaser desires to purchase, the Property, on the terms and conditions set out in this Agreement.

NOW THEREFORE for good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties covenant and agree as follows:

- 1. **Purchase and Sale.** The Vendor hereby offers to sell, transfer, assign, set over and convey the Property to the Purchaser and the Purchaser hereby agrees to purchase, acquire and assume the Property from the Vendor, at the Purchase Price, subject to adjustment as provided in this Agreement. The respective agreements of the Vendor and the Purchaser set out in this Section 1 create and constitute a binding agreement of purchase and sale of the Property on and subject to the provisions of this Agreement.
- 2. **Purchase Price.** The Purchase Price shall be **[insert the winning bid amount from the Purchaser via the online auction]** (the "**Purchase Price**"), plus or minus adjustments as herein set forth, payable by a 10% deposit to McDougal Auctioneers Ltd. and the balance to the Vendor's solicitors by solicitors trust cheque, bank draft or wire transfer on the Closing Date.
- 3. **Property Included in Purchase Price.** The Purchase Price shall include, without limitation, the Vendor's interest in all buildings, structures, erections, improvements, appurtenances, systems and fixtures affixed to or upon all of the Property. There are no chattels or other personal property included in the Purchase Price.
- 4. **Representations and Warranties of the Vendor.** The Vendor represents and warrants to the Purchaser as follows:
 - (a) There is not now and will not at the Closing Date be:
 - (i) any agreement, understanding, commitment, right or option for the purchase of the Property other than this Agreement; and

- (ii) any mortgage, encumbrance, lien, charge or registration except for those currently registered on title, including those registrations set out in Schedule "B" (the "**Permitted Encumbrances**").
- (b) The Vendor is the legal and beneficial owner of the Property and the Vendor has, and shall on the Closing Date convey to the Purchaser, title to the Property free and clear of all registered liens, charges, mortgages, encumbrances and registrations other than: (i) Permitted Encumbrances, and (ii) any charges or encumbrances placed upon the Property by or through the Purchaser.
- (c) The Vendor is not now and will not at the Closing Date be a non-resident of Canada as defined by the *Income Tax Act* (Canada).

Each of the foregoing representations and warranties will be true and correct at and as of the Closing Date in all material respects as if such representations and warranties were made on the Closing Date and shall survive the closing of this transaction without limitation of time and, notwithstanding such closing, shall continue in full force and effect for the benefit of the Purchaser during such period. The Vendor will indemnify the Purchaser in respect of any and all losses, costs, damages, claims and expenses of any kind whatsoever which may be suffered, sustained, paid or incurred by the Purchaser in connection with any inaccuracy in relation to any of the representations and warranties in this Agreement.

- 5. **Closing and Possession.** Subject to the terms and conditions hereof, the date of closing (the "**Closing**") of the purchase and sale of the Property shall be thirty (30) days after the date of the closing of the online auction (the "**Closing Date**"), which shall be the date on which possession of the Property is to be given to the Purchaser, subject to the Permitted Encumbrances.
- 6. **Adjustments.** The Purchase Price shall be adjusted pursuant to the following provisions:
 - (a) Adjustments shall be made as of the Closing Date (the Closing Date for the account of the Purchaser) and shall include the full amount of any realty taxes, the annual portion of any local improvement rates and charges, water and all other items normally adjusted between a vendor and purchaser in respect of the sale of property similar to the Property;
 - (b) If the final cost or amount of an item which is to be adjusted has not been determined at the Closing Date, then an initial adjustment for such item shall be made at the Closing Date by the Vendor on the basis of the best evidence available at the Closing Date. The Vendor and the Purchaser agree to make a final adjustment as soon as reasonably possible but in any event not later than one hundred eighty (180) days following the Closing Date, provided that in the case of Property taxes, if the property tax assessment for the year in which the Closing Date occurs is not known within such one hundred eighty (180) day period, the parties will make any necessary readjustment in respect of property taxes within thirty (30) days following the date that the assessment for Property taxes for such year is known. The Vendor and the Purchaser shall exchange undertakings on closing to readjust the adjustments in accordance with the foregoing.

7. **Risk.** All buildings and fixtures upon the Property shall be and remain at the risk of the Vendor until Closing. Up to the Closing Date, the Vendor shall continue to maintain in full force and effect all policies of insurance now in effect or renewals thereof and to give all notices and present all claims under all policies of insurance in due and timely fashion. On and after the Closing Date, the Property shall be at the risk of the Purchaser and the Purchaser shall arrange to place its own policies of insurance.

8. **Damage.** The Property shall remain at the risk of the Vendor until the Closing Date and the Vendor will hold all policies of insurance effected on the Property and the proceeds thereof, in trust for the Parties, as their interests may appear. In the event of any loss or damage to the Property including to any improvements or buildings located on the Property, if any, then the Vendor shall provide notice of such loss or damage to the Purchaser forthwith thereafter. If the loss or damage is in excess of ten (10%) percent of the Purchase Price, and cannot be corrected to a state equal to or better than the condition existing prior to such loss or damage before the Closing Date, the Purchaser may, by providing notice to the Vendor within five (5) business days of receiving such notice from the Vendor, elect to:
 - (a) terminate this Agreement and the Parties shall each be fully, finally and absolutely released from any further obligations or liabilities arising under or pursuant to this Agreement; or
 - (b) proceed to complete the purchase and sale contemplated hereby, in which case, at the Purchaser's option, as set forth in its notice to the Vendor, the Vendor shall assign to the Purchaser the proceeds of any insurance proceeds and claims thereto to which it is entitled, concurrent with the Closing, and the Vendor shall cooperate in all proceedings required to be undertaken in making any claim for such insurance.

9. **Vendor's Closing Deliveries.** On or before the Closing Date, the Vendor shall deliver or cause to be delivered to the Purchaser the following:
 - (a) transfer of title to the Property in registrable form in favour of the Purchaser;
 - (b) a Declaration that the Vendor is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada);
 - (c) all master keys to the Building located on the Property in the Vendor's possession;
 - (d) a mutual undertaking to readjust as contemplated by Section 6(b) hereof;
 - (e) a Statement of Adjustments; and
 - (f) such additional documents, assurances, covenants and agreements as the Purchaser may reasonably request to effect the purchase and sale transaction contemplated by this Agreement.

10. **Purchaser's Closing Deliveries.** On or before the Closing Date, the Purchaser shall deliver or cause to be delivered to the Vendor the following:

- (a) a solicitor's trust cheque or wire transfer for the Purchase Price, subject to the adjustments provided for herein;
 - (b) mutual undertaking to readjust as contemplated by Section 6(b) hereof;
 - (c) the declaration and indemnity regarding GST, if applicable, pursuant to Section 12(b) hereof; and
 - (d) such additional documents, assurances, covenants and agreements as the Vendor may reasonably request to effect the purchase and sale transaction contemplated by this Agreement.
- 11. Tender to Solicitors.** Any tender of documents or money hereunder may be made upon the Vendor or the Purchaser or the solicitors acting in their respective behalves. The purchase and sale shall be completed and documents and monies delivered in accordance with generally accepted conveyance practices in the City of Winnipeg on the exchange of trust conditions and undertakings between the Purchaser's and Vendor's solicitors, including that the Vendor's solicitors shall provide a registrable Transfer of Land and hold the Purchase Price in trust until title issues into the name of the Purchaser.
- 12. Goods and Services Tax.** The Purchase Price does not include goods and services taxes ("GST"). The Purchase Price will be subject, on the Closing Date, to the addition of GST which shall be paid by the Purchaser to the Vendor on the entire Purchase Price in accordance with applicable law. Alternatively, in the event the Purchaser is, and represents and warrants to the Vendor that the Purchaser is, a registrant under the Excise Tax Act (Canada), and provides the Vendor with:
- (a) its GST registration number as issued under Part IX of the Excise Tax Act (Canada); and
 - (b) written assurances of the fact that the Purchaser is a registrant as at the Closing Date, that the Purchaser shall self-assess and remit the GST directly, and that the Vendor is relieved of all GST liability in this transaction, all to the satisfaction of the Vendor acting reasonably, then the Purchaser will account directly to Canada Revenue Agency for the GST payable on this transaction as required and permitted by applicable law.
- 13. Purchaser's Acknowledgment.** The Purchaser acknowledges and agrees that, subject to the representations and warranties of the Vendor contained in Section 4:
- (a) the Property is being purchased and assumed by the Purchaser on an "as is, where is" basis as of the Closing Date and without any express or implied agreement, representation or warranty of any kind whatsoever as to the title, condition, area, suitability for development, physical characteristics, profitability, use or zoning, the existence of latent defects, any environmental matter or as to the accuracy, currency or completeness of any information or documentation supplied or to be supplied in connection with the Property, other than as set forth in Section 4; and
 - (b) this Section 13 shall survive Closing.

- 14. Purchaser's Representations and Warranties.** The Purchaser hereby represents and warrants to and in favour of the Vendor that:
- (a) If the Purchaser is a corporation, that is validly subsisting under the laws of its incorporation and is registered or will on the Closing Date be registered to do business in Manitoba, and has the necessary corporate power, authority and capacity to enter into this Agreement and to carry out the transaction contemplated by this Agreement on the terms and subject to the conditions set out in this Agreement.
 - (b) No approvals are required for the Purchaser to execute and deliver this Agreement and complete the transaction contemplated by this Agreement.
 - (c) This Agreement is a legal, valid and binding obligation of the Purchaser, enforceable against it by the Vendor in accordance with its terms, except only as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally.
 - (d) The execution and delivery of this Agreement and the completion of the transaction contemplated by this Agreement have been duly authorized by all requisite corporate proceedings on the part of the Vendor.
- 15. Gender and Enurement.** This Agreement and its acceptance is to be read with all changes of gender or number required by the context, and this Agreement shall enure to and be binding upon the heirs, executors, administrators, successors and permitted assigns of the parties to it.
- 16. Time.** Time shall in all respects be of the essence hereof.
- 17. Further Assurances.** Each of the Vendor and Purchaser shall from time to time at the request of the other execute and deliver all such documents, and do all such acts and things as the other acting reasonably may from time to time request be executed or done in order to better evidence or perfect or give effect to any provision of this Agreement or any of the respective obligations intended to be created hereby.
- 18. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of Manitoba and the laws of Canada applicable herein.
- 19. Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do either of the parties hereto rely upon or regard as material, any representations or writings whatsoever made by or on behalf of either of the parties or their respective agents not expressly incorporated herein in writing.
- 20. Headings.** The insertion of headings in this Agreement are for convenience of reference only and shall not be considered in or affect its interpretation or construction.
- 21. Severability.** In the event that any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, such provision shall be severable and shall not affect the validity of the remainder of this Agreement.

22. **Interpretation.** As used herein the words "herein", "hereby", "hereof", "this Agreement", and similar expressions refer to the provisions hereof as a whole and not to any particular section or other portion hereof, unless the context otherwise clearly requires. As used herein, where the context requires, the singular includes the plural and vice versa.
23. **Business Day.** Where anything is required to be done under this Agreement on a date which falls other than on a business day, then the date for such thing to be done shall be deemed to be on the next business day.
24. **Confidential.** The Vendor and the Purchaser agree that this Agreement and the transaction of purchase and sale contemplated herein, and any information or documents provided by either party to the other with respect to this transaction, is and will remain confidential, and will not be disclosed to any other person except for disclosure to the respective advisors, consultants, attorneys, lenders and agents of the parties and except as may be required by applicable laws, without the agreement of both parties hereto.
25. **Delivery by Facsimile or Electronic Transmission.** For the convenience of the parties, upon execution, this Agreement may be validly delivered by a party by facsimile transmission or by electronic delivery in portable document format (".pdf") or tagged image file format (".tiff") to the other party. A party who delivers the executed Agreement by facsimile transmission or by electronic delivery in .pdf or .tiff format shall, as soon as reasonably practicable, deliver a copy of the executed Agreement bearing the original signature(s) of such party to the other party.
26. **Execution of Agreement.** In no event shall the Vendor be obligated to the Purchaser under the terms of this Agreement until this Agreement has been accepted by the Vendor. Any expenditures made or actions taken by the Purchaser prior to the acceptance of this Agreement by the Vendor shall be at the sole risk and expense of the Purchaser, and in no event shall the Purchaser have the right to make any claim against the Vendor based on or with respect to such expenditures or actions, whether on the grounds of detrimental reliance or otherwise.
27. **No Registration of Agreement.** The Purchaser shall not register this Agreement or notice of this Agreement against the title to the Property.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Purchaser and the Vendor have executed and delivered this Agreement the ____ day of _____, 2021.

MT INVESTMENTS INC.

Name:
Title:
I have the authority to bind the Corporation

[INSERT]

Name:
Title:
I have the authority to bind the Corporation

SCHEDULE "A"
CIVIC ADDRESS AND LEGAL DESCRIPTION OF THE PROPERTY

Title No. 2511040/2

THE NLY 1350 FEET PERP OF THE ELY 650 FEET PERP OF THE SE 1/4 OF SECTION 31-1-25 WPM EXC ALL MINES AND MINERALS AS SET FORTH IN TRANSFERS 33133BO AND 98365BO

SCHEDULE "B"
PERMITTED ENCUMBRANCES

Encumbrance	Registrant	Registration Date
65307BO/2	THE CANADA TRUST CO	1969-05-27
83-6086BO/2	OMEGA HYDROCARBONS LTD.	1983-11-07
84-1053BO/2	OMEGA HYDROCARBONS LTD.	1983-12-28
1038599/2	OMEGA HYDROCARBONS LTD.	1998-02-06
1038918/2	OMEGA HYDROCARBONS LTD.	1998-02-12
1224588/2	PENN WEST PETROLEUM LTD.	2008-07-15
1244288/2	PENN WEST PETROLEUM LTD.	2009-06-11
1244289/2	PENN WEST PETROLEUM LTD.	2009-06-11
1253809/2	PENN WEST PETROLEUM LTD.	2009-11-10
1253818/2	PENN WEST PETROLEUM LTD.	2009-11-10
1262019/2	PENN WEST PETROLEUM LTD.	2010-03-31
1276800/2	PENN WEST PETROLEUM LTD.	2010-11-08
1381088/2	PENN WEST PETROLEUM LTD.	2015-07-02
1381089/2	PENN WEST PETROLEUM LTD.	2015-07-02
1381090/2	PENN WEST PETROLEUM LTD.	2015-07-02
1381091/2	PENN WEST PETROLEUM LTD.	2015-07-02
1383356/2	PENN WEST PETROLEUM LTD.	2015-07-27
1383357/2	PENN WEST PETROLEUM LTD.	2015-07-27
1383358/2	PENN WEST PETROLEUM LTD.	2015-07-27
1383359/2	PENN WEST PETROLEUM LTD.	2015-07-27