

ANNUAL LEASE INFORMATION FOR DYNAMIC RIVER DUO

PARCEL 1: SE-8-43-2-W5TH

I3 ENERGY CANADA LTD. \$ 3,522.00
(Surface Lease dated: September 28, 1989)

I3 ENERGY CANADA LTD.
(Padsite Agreement dated: September 21, 2006)

*Please note the well has an abandoned status. We have been advised that a reclamation certificate has not been received and that the file will remain active/ rental paid until the said reclamation certificate is received. We were not provided with an estimated timeline on this. \$ 1,500.00

TAQA NORTH \$ 100.00
(Agreement dated: September 11, 2023)

Parcel 1 Subtotal \$ 5,122.00

NOTE- Discovery Resources Ltd. (“Discovery”) has issued a Proposed Wellsite Project Information Letter (see Land Title Certificate for Parcel 1 to review a copy of the document) dated December 4, 2023. In addition to this, the Owners have entered into an Alberta Surface Lease Agreement and a Temporary Workspace Agreement (both dated December 15, 2023). Below is a summary in regards to the compensation for the said wellsite and associated facilities (all of which will be assigned to the high bidder on Parcel 1):

- The initial surface lease compensation is \$29,110.00. If Discovery drills a second well, they will pay an additional \$3,000.00
- The annual rental will be \$3,960.00. If Discovery drills the second well, they will pay an additional \$1,200.00
- Discovery will require a temporary workspace for a water line to the river and will pay \$3,480.00 for same
- If the well is good and a pipeline is required, they will pay \$2,000.00 for the said new pipeline on the surface lease

At this time, there is not a set date for drilling.

PARCEL 2: DESCRIPTIVE PLAN 0425872 BLOCK 2 LOT 2

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This statement is based on information provided to us. The information is believed to be correct, but its accuracy cannot be guaranteed. Errors and/or omissions discovered prior and after auction shall be adjusted directly between the parties. E. & O.E.

