

CHARLES A. DIXON

PROFESSIONAL CORPORATION

Barrister, Solicitor & Notary
51 Riverside Gate, PO Box 1169, Okotoks, AB T1S 1B2
403-938-8131 Fax 403-938-6365

May 1, 2018

To: Interested Party

Dear Sir/Madam:

**RE: Expression of Interest in certain lands and improvements thereon
owned by Clayton Howard Riddell and Treherne Resources Ltd.**

We act for Mr. Clayton Howard Riddell and Treherne Resources Ltd. (collectively "CH Riddell") owners of certain parcels of land as described in Schedule "A" attached hereto (the "Lands").

You are among the parties who have expressed an interest in purchasing all or part of the Lands, or are a party which CH Riddell believes may be interested in purchasing all or part of the Lands. CH Riddell is prepared to consider all offers. In that regard we have prepared an information binder (the "Binder") incorporating further details in relation to the potential terms under which the Lands may be sold, including copies of titles to the Lands and the list of permitted encumbrances. Along with the Binder we will forward the form of purchase agreement (prior to acceptance and execution by CH Riddell, the "Offer" and once accepted, the "Purchase Agreement") to be used for any offers submitted, and a registration form/terms and conditions document (the "Terms and Conditions") which include certain terms and conditions along with required waivers and indemnities which must be executed and returned to our office prior to any further information being provided or any inspection of the Lands to occur.

In order to obtain a copy of the Binder, the Offer and the Terms and Conditions, kindly contact CH Riddell's authorized agents, Shawn Hansen, Hansen Land Brokers (cell) 403-540-9659, Office 403-652-1798 and Bob Dyck (cell) 403-585-4551 (collectively "CH Riddell's Agents) and they will arrange for one to be made available to you.

As we are anticipating receiving multiple offers, we request that any offer you make be delivered in sealed envelopes to our office (Attn: Charles A. Dixon) **on or prior to 12:00 pm (noon) MST June 18, 2018 (the "Delivery Date")** and it shall be irrevocable and left open for acceptance to **4:00 pm MST June 19, 2018 (the "Acceptance Date")**. Kindly make sure that the face of the envelope states in bold "**OFFER – CH RIDDELL LANDS**" to ensure that it is delivered in a timely manner to the correct handling party. **The opening of all of the sealed envelopes shall commence no earlier than 12:30 pm MST June 18, 2018.** CH Riddell may in its sole discretion, extend the deadlines set out above.

Upon receipt and review of the Offers, all qualified Offers will be given an opportunity to participate in an on-line auction commencing at 12:00 noon on June 19, 2018. The starting bid will be the highest

Offer and bid increments will be \$10,000.00 until 4:00 pm June 19, 2018 with “soft close” provisions. The highest bid in the auction, subject to acceptance by CH Riddell will be entitled to purchase the Lands set out in the Offer.

The Offer will set further details of the terms under which the Lands may be sold, but to summarize, the main points under which the Lands are offered for sale include:

- Unconditional. The offer must be unconditional at acceptance and any offer that contains purchaser’s conditions shall be rejected. Any due diligence or financing queries must be completed by you prior to the delivery of the Offer. CH Riddell shall not, under any circumstances, be responsible for any costs incurred by yourself in the preparation of the Offer including any due diligence searches or reports prepared on your behalf or any financing fees incurred.
- Realtor Fees. Lively Realty Ltd. will pay a 1.5% commission to any licenced realtor who is disclosed on the Terms & Conditions sheet for their interested party and submits an offer that which is accepted and the transaction arising therefrom closes with the Purchase Price paid in full.
- Buyer’s Premium Offers must specify in addition to the Purchase Price a Buyer’s Premium of 5% will be paid by the Buyer.
- Foreign Ownership. The Purchaser must satisfy itself that it can comply with the requirement of the *Foreign Ownership of the Land Regulations (Alberta) Alta Reg 160/79*, and that it is not an ineligible person or a foreign controlled corporation as defined under such regulation.
- Deposits. Concurrently with the delivery of the Offer the Purchaser shall provide a certified cheque or bank draft for the initial deposit, being of 10% of the proposed Purchase Price, made payable to **Charles A. Dixon Professional Corporation “in Trust”**. The cheque for the initial deposit will be held and not deposited until the Offer is accepted. If the Offer is not accepted, the Vendor shall return the cheque for the initial deposit within five (5) business days of the Acceptance Date. If the Offer is accepted then: (CH Riddell shall immediately certify and deposit the cheque for initial deposit into the Vendor’s lawyer’s trust account; and (b) the Purchaser shall provide a second deposit, being an additional 10% of the Purchase Price, to be delivered by the Purchaser or the Purchaser’s Lawyer to the Vendor’s lawyer by certified cheque, guaranteed electronic funds (wire) or a certified solicitor’s trust cheque on or before **4:00 pm MST June 20, 2018.**
- Closing The Closing Date for an accepted Offer will be July 31, 2018.
- Permitted Encumbrances. The Lands are to be sold subject to the instruments (if any) registered against the Lands as set out in the copies of certificates of title for the Lands provided in the Binder (the “**Permitted Encumbrances**”).
- Financial Viability. The Purchaser must provide either prior to or concurrently with the delivery of the Offer such reasonable and sufficient financial statements or financial information and

reference, including without limitation, as the Vendor, in its sole and absolute discretion, may require in connection with the purchase of the Lands.

Notwithstanding the foregoing information provided, CH Riddell reserves the right to reject any or all Offers received, including without limitation an Offer made at the highest net purchase price. Furthermore, CH Riddell reserves the right to accept an Offer that they, in their sole and absolute discretion, decide to accept, notwithstanding any custom to the contrary. In addition, CH Riddell reserves the right to accept an Offer that does not specifically comply with the terms set out above or that has amendments to the form of Offer or otherwise would be invalid based on the criteria provided herein. Please note CH Riddell and his authorized agent Shawn Hansen and Bob Dyck may, in the period between the Delivery Date and Acceptance Date, contact your self to clarify certain terms of your Offer, however in no circumstances will such discussions include any reduction to the purchase price.

In its review and ultimate determination of the acceptability of the Offers, CH Riddell shall treat all Offers fairly and equally, and in good faith. However the criteria which may be used by CH Riddell in evaluating Offers and in accepting an offer are in their sole discretion. Should CH Riddell not receive any Offer satisfactory to CH Riddell, in their sole and absolute discretion, they reserve the right to reject all Offers presented through this tender process and offer the Lands for sale in another manner, including but not limited to, soliciting further offers or negotiating and entering into an agreement for sale of the Lands with any one or more persons whatsoever, including any person who has made an Offer.

CH Riddell confirms that there are no known conditional sale agreements, leases, offer to lease, rights of first refusals, rights of first offer, option to purchase and security interests in the Lands except as set out in the Permitted Encumbrances.

If, upon reviewing the foregoing and the information provided in the Binder, you wish to continue with the process then kindly return the fully executed Terms and Condition to our office and we will add your name to the list of registered interested parties and await the delivery of your Offer on or before the Delivery Date.

Thank you for your expression of interest.

Yours truly,

Charles A. Dixon
CAD/th

IMPORTANT – This message is intended only for the use of the Addressee and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that any dissemination of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone. Thank you.

SCHEDULE A

PARCEL 1

MERIDIAN 5 RANGE 2 TOWNSHIP 21
SECTION 33
QUARTER SOUTH WEST
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

(HEREINAFTER REFERRED TO AS THE "HOME PARCEL")

PARCEL 2

MERIDIAN 5 RANGE 2 TOWNSHIP 21
SECTION 33
QUARTER SOUTH EAST
CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS
EXCEPTING THEREOUT THE FOLLOWING ON
PLAN NUMBER HECTARES ACRES MORE OR LESS
ROADWAY 4697EZ 0.069 0.17
ROADWAY 6021IA 0.437 1.08
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

(HEREINAFTER REFERRED TO AS THE "EAST BARE LAND PARCEL")

PARCEL 3

MERIDIAN 5 RANGE 2 TOWNSHIP 21
SECTION 32
QUARTER SOUTH EAST
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

(HEREINAFTER REFERRED TO AS THE "WEST BARE LAND PARCEL")