

CORPORATE ACCESS NUMBER: 2019202015

**Government
of Alberta ■**

BUSINESS CORPORATIONS ACT

**CERTIFICATE
OF
AMALGAMATION**

**CARDINAL ENERGY LTD.
IS THE RESULT OF AN AMALGAMATION FILED ON 2015/09/12.**



**Articles of Amalgamation
For
CARDINAL ENERGY LTD.**

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO
Share Transfers Restrictions: NONE
Number of Directors:
Min Number of Directors: 1
Max Number of Directors: 11
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "B" ATTACHED HERETO

**Registration Authorized By: SYLVIE J.M. WELSH
SOLICITOR**

SCHEDULE "A"

COMMON SHARES

1. Voting Rights

The holders of Common Shares shall be entitled to notice of, to attend and to one (1) vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Common Shares as such).

2. Dividends

The holders of Common Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect Of dividends.

3. Liquidation

The holders of Common Shares shall be entitled in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of shares of any other class of shares of the Corporation ranking equally with the Common Shares in respect of return of capital, in such assets of the Corporation as are available for distribution.

4. If the Board of Directors of the Corporation declare a dividend on the Common Shares payable in whole or in part in fully paid and non-assessable Common Shares (the portion of the dividend payable in Common Shares being herein referred to as a "stock dividend"), the following provisions shall apply:

(a) unless otherwise determined by the Board of Directors of the Corporation in respect of a particular stock dividend: (i) the number of Common Shares (which shall include any fractional Common Shares) to be issued in satisfaction of the stock dividend shall be determined by dividing (A) the dollar amount of the particular stock dividend, by (B) the "Average Market Price" of a Common Share, with the "Average Market Price" calculated by dividing the total value of Common Shares traded on the Toronto Stock Exchange (the "TSX") (or if the Common Shares are not traded on the TSX, on any other recognized exchange or market on which the Common Shares are traded) by the total volume of Common Shares traded on the TSX (or if the Common Shares are not traded on the TSX, on any other recognized exchange or market on which the Common Shares are traded) over the five trading day period immediately prior to the payment date of the applicable stock dividend on the Common Shares; and (ii) the value of a Common

Share to be issued for the purposes of each stock dividend declared by the Board of Directors of the Corporation shall be deemed to be the Average Market Price of a Common Share. Notwithstanding the foregoing, if the Common Shares are not traded on any recognized exchange, the "Average Market Price" of a Common Share for purposes of paragraphs (i) and (ii) shall be as determined in good faith by the Board of Directors of the Corporation;

(b) to the extent that any stock dividend paid on the Common Shares represents one or more whole Common Shares payable to a registered holder of Common Shares, such whole Common Shares shall be registered in the name of such holder. Common Shares representing in the aggregate all of the fractions amounting to less than one whole Common Share which might otherwise have been payable to registered holders of Common Shares by reason of such stock dividend shall be issued to the transfer agent for the Common Shares as the agent of such registered holders of Common Shares. The transfer agent shall credit to an account for each such registered holder all fractions of a Common Share amounting to less than one whole share issued by the Corporation by way of stock dividends in respect of the Common Shares registered in the name of such holder. From time to time, when the fractional interests in a Common Share held by the transfer agent for the account of any registered holder of Common Shares are equal to or exceed in the aggregate one additional whole Common Share, the transfer agent shall cause such additional whole Common Share to be registered in the name of such registered holder and thereupon only the excess fractional interest, if any, will continue to be held by the transfer agent for the account of such registered holder. The Common Shares held by the transfer agent representing fractional interests shall not be voted;

(c) if at any time the Corporation shall have reason to believe that tax should be withheld and remitted to a taxation authority in respect of any stock dividend paid or payable to a shareholder in Common Shares, the Corporation shall have the right to sell, or to require its transfer agent in each case as agent of such shareholder, to sell all or any part of the Common Shares or any fraction thereof so issued to such holder in payment of that stock dividend or one or more subsequent stock dividends through the facilities of the TSX or other stock exchange on which the Common Shares are listed for trading (or if the Common Shares are not traded on any recognized exchange, in such manner as shall be as determined in good faith by the Board of Directors of the Corporation), and to cause the transfer agent to remit the cash proceeds from such sale to such taxation authority (rather than such holder) in payment of such tax to be withheld. This right of sale may be exercised by notice given by the Corporation to such holder and to the Corporation or the transfer agent stating the name of the holder, the number of Common Shares to be sold and the amount of the tax which the Corporation has reason to believe should be withheld. Upon receipt of such notice the transfer agent shall, unless a certificate or other evidence of registered ownership for the Common Shares has at the relevant time been issued in the name of the holder, sell the Common Shares as aforementioned and the Corporation or the transfer agent as applicable, shall be deemed for all purposes to be the duly authorized agent of the holder with full authority on behalf of such holder to effect the sale of such Common Shares and

deliver the proceeds therefrom to the applicable taxation authority on behalf of the Corporation. Any balance of the cash sale proceeds not remitted by the Corporation in payment of the tax to be withheld shall be payable to the holder whose Common Shares were so sold by the transfer agent;

(d) if at any time the Corporation shall have reason to believe that the payment of a stock dividend to any holder thereof who is resident in or otherwise subject to the laws of a jurisdiction outside Canada might contravene the laws or regulations of such jurisdiction, or could subject the Corporation to any penalty thereunder or any legal or regulatory requirements not otherwise applicable to the Corporation, the Corporation shall have the right to sell, or to require its transfer agent in each case, as agent of such shareholder, to sell through the facilities of the TSX or other stock exchange on which the Common Shares are listed for trading, the Common Shares (or if the Common Shares are not traded on any recognized exchange, in such manner as shall be as determined in good faith by the Board of Directors of the Corporation) or any fraction thereof so issued and to cause the transfer agent to pay the cash proceeds from such sale to such holder. The right of sale shall be exercised in the manner provided in subparagraph (c) above except that in the notice there shall be stated, instead of the amount of the tax to be withheld, the nature of the law or regulation which might be contravened or which might subject the Corporation to any penalty or legal or regulatory requirement. Upon receipt of the notice, the Corporation or the transfer agent shall, unless a certificate or other evidence of registered ownership for the Common Shares has at the relevant time been issued in the name of the holder, sell the Common Shares as aforementioned and the Corporation or the transfer agent, as applicable shall be deemed for all purposes to be the duly authorized agent of the holder with full authority on behalf of such holder to effect the sale of such Common Shares and to deliver the proceeds therefrom to such holder;

(e) upon any registered holder of Common Shares ceasing to be a registered holder of one or more Common Shares, such holder shall be entitled to receive from the transfer agent, and the transfer agent shall pay as soon as practicable to such holder, an amount in cash equal to the proportion of the value of one Common Share that is represented by the fraction less than one whole Common Share at that time held by the transfer agent for the account of such holder, and, for the purpose of determining such value, each Common Share shall be deemed to have the value equal to the Average Market Price in respect of the last stock dividend paid by the Corporation prior to the date of such payment; and

(f) for the purposes of the foregoing: (i) the calculation of a fraction of a Common Share payable to a shareholder by way of a stock dividend and the calculation of the Average Market Price shall be computed to six decimal places, and shall be rounded to the nearest sixth decimal place; and (ii) neither the Corporation nor its transfer agent shall have any obligation to register any Common Share in the name of a person, to deliver a certificate or other document representing Common Shares registered in the name of a shareholder or to make a cash payment for fractions of a Common Share, unless all applicable laws and regulations to which the Corporation and/or the transfer agent are, or as a result of

such action may become, subject, shall have been complied with to their reasonable satisfaction.

FIRST PREFERRED SHARES

1. Voting Rights

The holders of the First Preferred Shares shall be entitled to receive notice of, to attend and to one (1) vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the First Preferred Shares as such).

2. Dividends

The holders of the First Preferred Shares shall be entitled to receive if, as and when declared by the Board of Directors of the Corporation out of the monies of the Corporation applicable to the payment of dividends, such dividends in any financial year as the Board of Directors in its absolute discretion may by resolution determine, and the directors may, subject to Section 11 hereof declare dividends on any other class of share at different times or at the same time in different amounts than dividends declared on the First Preferred Shares.

3. Redemption

3.1 Subject to applicable law, the Corporation shall have the right to redeem, at any time all, or from time to time any part of, the then outstanding First Preferred Shares at a price per share equal to that amount being the fair market value of any property received by the Corporation as consideration for the issuance of such First Preferred Shares divided by the total number of First Preferred Shares issued (the "Redemption Value"), together with all accrued and unpaid dividends thereon up to the date fixed for redemption (the whole amount being herein referred to as the "Redemption Price").

3.2 In case only a part of the then outstanding First Preferred Shares is at any time to be redeemed, the shares so to be redeemed shall be redeemed pro rata, excluding fractions, from the holdings of all shareholders of First Preferred Shares or in such other manner as the Board of Directors deems reasonable.

3.3 On any redemption of First Preferred Shares under this Section 3, the Corporation shall, subject to the unanimous waiver of notice by the registered holders thereof, give at least 21 days before the date fixed for redemption (the "Redemption Date"), a notice in writing of the intention of the Corporation to redeem First Preferred Shares (the "Redemption Notice") to each person who at the date of giving of such notice is a registered holder of First Preferred Shares to be redeemed. The Redemption Notice shall set out the calculation of the Redemption Price, the Redemption Date and, unless all the First Preferred Shares held by the holder to whom it is addressed are to be redeemed, the number of such shares so held which are to be redeemed.

3.4 The Redemption Price (less any tax required to be withheld by the Corporation) shall be paid by cheque payable in lawful

money of Canada at par at any branch in Alberta of the Corporation's bankers for the time being or by such other reasonable means as the Corporation deems desirable. The mailing of such cheque from the Corporation's registered office, or the payment by such other reasonable means as the Corporation deems desirable, on or before the Redemption Date shall be deemed to be payment of the Redemption Price represented thereby on the Redemption Date unless the cheque is not paid upon presentation or payment by such other means is not received. Notwithstanding the foregoing, the Corporation shall be entitled to require at any time, and from time to time, that the Redemption Price be paid to holders of First Preferred Shares only upon presentation and surrender at the registered office of the Corporation or at any other place or places in Alberta designated by the Redemption Notice of the certificate or certificates for such First Preferred Shares to be redeemed.

3.5 If a part only of the First Preferred Shares represented by any certificate are to be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

3.6 At any time after the Redemption Notice is given, the Corporation shall have the right to deposit the Redemption Price of any or all First Preferred Shares to be redeemed with any chartered bank or banks or with any trust company or trust companies in Alberta named for such purpose in the Redemption Notice to the credit of a special account or accounts in trust for the respective holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same. Upon such deposit or deposits being made or upon the Redemption Date, whichever is later, the shares in respect of which such deposit has been made shall be and be deemed to be redeemed and the rights of the holders of such shares shall be limited to receiving, without interest, the proportion of the amount so deposited applicable to their respective shares. Any interest allowed on such deposit or deposits shall accrue to the Corporation.

3.7 From and after the Redemption Date, the First Preferred Shares called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Redemption Price shall not be duly made by the Corporation, in which event the rights of such holders shall remain unaffected until the Redemption Price has been paid in full.

3.8 First Preferred Shares which are redeemed or deemed to be redeemed in accordance with this Section 3 shall, subject to applicable law, be and be deemed to be returned to the authorized but unissued capital of the Corporation.

4. Retraction

4.1 A holder of First Preferred Shares shall have the right, at his option, at any time or times, to require the Corporation to redeem at a price per share equal to the Redemption Value thereof, together with all accrued and unpaid dividends thereof up to the Retraction Date (as hereinafter defined) (the whole

amount being herein referred to as the "Retraction Price"), all or any of such shares which are registered in such holder's name on the books of the Corporation. Such right shall be exercised by the registered holder delivering to the Corporation at its registered office:

a. a notice in writing executed by such holder (the "Retraction Notice") specifying:

i. the number of First Preferred Shares which such holder wishes to have redeemed by the Corporation; and

ii. the business day on which such holder wishes to have the Corporation redeem such shares (the "Retraction Date"), which day shall not be less than 21 days from the date the Retraction Notice is received by the Corporation; and

b. a share certificate or certificates representing such shares, duly endorsed, which such holder wishes to have the Corporation redeem.

4.2 Upon receipt of the documents set out in Section 4.1, the Corporation shall, on the Retraction Date, pay the Retraction Price for each First Preferred Share to be redeemed (less any tax required to be withheld by the Corporation). Such payment shall be made by cheque payable in lawful money of Canada at par at any branch in Alberta of the Corporation's bankers for the time being. Such shares shall be redeemed on the Retraction Date, and from and after the Retraction Date, the holder of such shares being redeemed shall cease to be entitled to dividends, and shall not be entitled to exercise any rights in respect thereof, unless payment of the Retraction Price is not made on the Retraction Date, in which event the rights of such holders shall remain unaffected until the Retraction Price has been paid in full.

4.3 First Preferred Shares which are retracted or deemed to be retracted in accordance with this Section 4 shall, subject to applicable law, be and be deemed to be returned to the authorized but unissued capital of the Corporation.

5. Purchase for Cancellation

5.1 In addition to its right to redeem First Preferred Shares as provided in Section 3, the Corporation may at any time or times purchase for cancellation the whole or any part of the outstanding First Preferred Shares at a price per share equal to the Redemption Value thereof.

5.2 First Preferred Shares purchased in accordance with this Section 5 shall, subject to the applicable law, be and be deemed to be returned to the authorized but unissued capital of the Corporation.

6. Liquidation

6.1 In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of First Preferred Shares shall be entitled to receive the Redemption Value per share, together with

any accrued and unpaid dividends thereof up to the date of commencement of any such liquidation, dissolution, winding up or other distribution of the assets of the Corporation, to be paid all such money before any money shall be paid or property or assets distributed to the holders of any Common Shares or other shares in the capital of the Corporation ranking junior to the First Preferred Shares with respect to return of capital.

6.2 After payment to the holders of the First Preferred Shares of the amounts so payable to them in accordance with this Section 6, the holders of First Preferred Shares shall not be entitled to share in any further distribution of the property or assets of the Corporation.

7. Amendments

The rights, privileges, restrictions and conditions attached to the First Preferred Shares may be amended, modified, suspended, altered or repealed but only if consented to, or approved by, the holders of the First Preferred Shares in the manner hereinafter specified and in accordance with any requirements of applicable law.

8. Creation of Additional Shares

No class of shares may be created ranking as to capital or dividends in priority to or on a parity with the First Preferred Shares without the consent or approval of the holders of the First Preferred Shares in the manner hereinafter specified and in accordance with any requirements of applicable law.

9. Approval by Holders of First Preferred Shares

For the purpose of Sections 7 and 8, any consent or approval given by the holders of First Preferred Shares shall be deemed to have been sufficiently given if it shall have been given in writing by all the holders of the outstanding First Preferred Shares or by a resolution passed at a meeting of holders of First Preferred Shares duly called and held upon not less than 21 days' notice in writing to the holders at which the holders of at least 50% of the outstanding First Preferred Shares are present or are represented by proxy and carried by the affirmative vote of not less than two-thirds of the votes cast at such meeting. On every ballot cast at every meeting of the holders of the First Preferred Shares, every holder of a First Preferred Share shall be entitled to one (1) vote in respect of each First Preferred Share held. Subject to the foregoing, the formalities to be observed in respect of the giving or waiving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed in the by-laws of the Corporation.

10. Adjustment

10.1 The fair market value of any property received as consideration for the issuance of any First Preferred Shares shall be determined initially by the accountants of the Corporation; but if it should subsequently be ascertained that the fair market value of the said property is greater than or less than such determined value whether by:

- a. a tribunal or court of competent jurisdiction;
- b. agreement between the Corporation and the Department of National Revenue; or
- c. agreement between the Corporation and the holders of the First Preferred Shares;

then, subject to the Business Corporations Act (Alberta), the Board of Directors, on behalf of the Corporation, shall ensure that the Redemption Value be increased or decreased accordingly. This adjustment shall be made retroactively effective as of the date of issuance of the First Preferred Shares.

10.2 If an adjustment is made to the Redemption Value pursuant to Section 10.1, and if the Board of Directors of the Corporation decide that an adjustment to the stated capital of the First Preferred Shares is required, then subject to the provisions of the Business Corporations Act (Alberta), the stated capital of the First Preferred Shares shall be adjusted retroactively to the date of issuance of the First Preferred Shares to the amount determined by the Board of Directors of the Corporation.

10.3 If dividends are paid on the First Preferred Shares between the date of issue and the actual date of any adjustment provided for in Section 10.1, then forthwith upon any adjustment being made pursuant to Section 10.1, an amount equal to the difference between the amount of dividend actually received and the amount of dividend which would have been received if the adjustment, pursuant to Section 10.1, had actually been made at the date of issuance of the First Preferred Shares shall be paid to the Corporation by the recipients of the dividend or to the recipients of the dividend by the Corporation, as the case may be.

10.4 If any First Preferred Shares are redeemed, retracted or purchased pursuant to any of Sections 3, 4 or 5 before the actual date of any adjustment provided for in Section 10.1, then forthwith upon any adjustment being made pursuant to Section 10.1, an amount equal to the difference between the price actually paid on the redemption, retraction or purchase of the First Preferred Shares and the price which would have been paid on the redemption, retraction or purchase of the redeemed, retracted or purchased First Preferred Shares if the adjustment pursuant to Section 10.1 had actually been made at the date of issuance of the First Preferred Shares shall be paid by the Corporation or the person whose First Preferred Shares were redeemed, retracted or purchased, as the case may be.

10.5 The First Preferred Shares are created pursuant to and in accordance with the exchange of property provisions of subsection 28(3) of the Business Corporations Act (Alberta).

11. Restriction on Distributions

No distribution shall be made to the holders of any of the Common Shares, if such distribution would result in the Corporation having insufficient net assets to redeem or purchase the First Preferred Shares. For the purposes of this section,

a. "net assets" of the Corporation means the amount for which the assets of the Corporation could realize in cash at that time less the liabilities of the Corporation at that time; and

b. "distribution" means any declaration, payment or distribution to or to the account of any holders of any Common Shares of the Corporation, now or hereafter outstanding by way of:

i. dividends in cash or specie, except dividends payable in shares of any class of share of the Corporation; or

ii. purchase, redemption or other retirement of any outstanding shares except when such purchase, redemption or other retirement is paid for out of the proceeds of a fresh issue of shares made for that purpose.

SCHEDULE "B"

a. The directors of the Corporation may, without authorization of the shareholders:

i. borrow money on the credit of the Corporation;

ii. issue, reissue, sell or pledge debt obligations of the Corporation;

iii. subject to the Business Corporations Act (Alberta), give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

iv. mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

b. The directors may, by resolution, delegate the powers referred to in subsection (a) hereof to a director, a committee of directors or an officer.

c. The directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed 1/3 of the number of directors who held office at the expiration of the last annual general meeting of the Corporation.

d. Meetings of the shareholders may be held at any place within Alberta or at any of the following cities: Vancouver, British Columbia; Victoria, British Columbia; Winnipeg, Manitoba; Toronto, Ontario; Ottawa, Ontario; Montreal, Quebec; or Halifax, Nova Scotia.