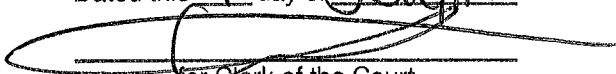
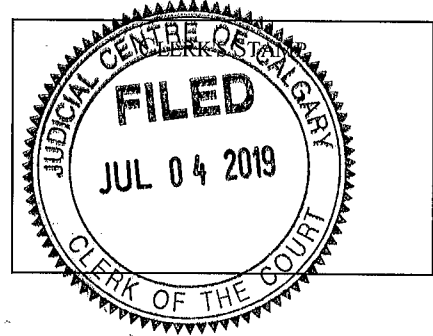


I hereby certify this to be a true copy of
the original order

Dated this 4 day of July 1919


for Clerk of the Court



COURT FILE NUMBER

1901-02578

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANTS

**IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C-36, as amended**

**AND IN THE MATTER OF THE *BUSINESS*
CORPORATIONS ACT, R.S.A. 2000, c. B-9, as
amended**

**AND IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT OF
ELCANO EXPLORATION INC., ELCANO
EXPLORATION LTD. and ELCANO ENERGY
PARTNERSHIP**

DOCUMENT

SANCTION ORDER

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Chris Simard and Kelsey Meyer
Tel No.: 403-298-4485/3323
Fax No.: 403-265-7219
Client File No. 86037.1

**DATE ON WHICH ORDER WAS
PRONOUNCED:**

July 4, 2019

**LOCATION WHERE ORDER WAS
PRONOUNCED:**

Calgary, Alberta

**NAME OF JUSTICE WHO MADE
THIS ORDER:**

The Honourable Madam Justice B.E.C. Romaine

UPON the Application of Elcano Exploration Inc. ("**EEl**"), Elcano Exploration Ltd. ("**EEL**") and Elcano Energy Partnership ("**EEP**") (collectively, the "**Plan Applicants**", and each, a "**Plan Applicant**"), for an Order pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"), sanctioning and approving the individual Plans of Compromise and Arrangement included in the Plan of Compromise and Arrangement of the Plan Applicants dated May 31, 2019, as may be further amended, varied or supplemented from time to time in accordance with the terms thereof (the "**Plan**"); AND UPON having read the pleadings and proceedings filed in this Action, including the Affidavit No. 2 of Richard Fulton, sworn May 31, 2019, the Affidavit No. 4 of Richard Fulton, sworn June 24, 2019, the Second and Third Reports of Hardie & Kelly Inc., in its capacity as Court-appointed Monitor of the Applicants (the "**Monitor**"); AND UPON hearing from counsel for the Plan Applicants, counsel for the Monitor, and from any other affected parties that may be present;

IT IS HEREBY ORDERED AND DECLARED THAT:

DEFINED TERMS

1. Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan, the Initial Order granted in the within proceedings on February 26, 2019 (the "**Initial Order**"), and the Meeting Order granted on June 7, 2019 (the "**Meeting Order**").

SERVICE, NOTICE AND MEETING

2. Service of this Application and supporting documents is hereby deemed to be good and sufficient, the time for notice is hereby abridged to the time provided, and no other person is required to have been served with notice of this Application.
3. There has been good and sufficient notice, service and delivery of the Affected Creditor Meeting Materials to all Persons upon whom notice, service and delivery was required.
4. The Meeting was duly convened and held, all in conformity with the CCAA and the Orders of this Court, including, without limitation, the Meeting Order.

5. The hearing in respect of the Sanction Order was open to all of the Affected Creditors and all other Persons with an interest in the Plan Applicants, such Affected Creditors and other Persons were permitted to be heard at the hearing in respect of the Sanction Order, and prior to the hearing, all of the Affected Creditors and all other Persons on the Service List were given adequate notice thereof.

SANCTION OF THE PLAN

6. For the purposes of voting to approve the Plan, the Affected Creditor Class was a single class comprised of the Plan Applicants, as defined in Article 4.1 of the Plan.
7. The Plan has been approved by the Required Majority of the class of Affected Creditors in conformity with the CCAA, the Plan and the Meeting Order.
8. The Plan Applicants have complied with the provisions of the CCAA and the Orders of the Court made in these proceedings in all material respects.
9. The Plan Applicants have acted and are acting in good faith and with due diligence, and have not done or purported to do (nor does the Plan do or purport to do) anything that is not authorized by the CCAA.
10. The Plan, and all the terms and conditions thereof, and matters and transactions contemplated thereby, are fair and reasonable.
11. The Plan is hereby sanctioned and approved pursuant to Section 6 of the CCAA.

PLAN IMPLEMENTATION

12. The Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are hereby:
 - (a) approved;
 - (b) deemed to have been implemented; and

(c) binding upon and effective with respect to the Plan Applicants and all of the Affected Creditors, the Directors and Officers, the Released Parties and all other Persons named or referred to in, or subject to, the Plan;

all in accordance with the provisions of the Plan, as of the Plan Implementation Date commencing at the Effective Time, with respect to the Plan Applicants.

13. The Plan shall be binding upon and enure to the benefit of the Plan Applicants, the Released Parties, all Affected Creditors, and all other Persons named or referred to in, affected by, or subject to the Plan, including, without limitation, their respective heirs, executors, administrators, and other legal representatives, successors, and assigns.
14. The Plan Applicants and the Monitor are authorized and directed to take all steps and actions, and to do all things necessary or appropriate to implement the Plan in accordance with its terms and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, deliveries, allocations, instruments and agreements contemplated in and pursuant to the Plan, and such steps and actions are hereby authorized, ratified and approved. Furthermore, none of the Plan Applicants, the Directors or Officers, or the Monitor shall incur any liability as a result of acting in accordance with terms of the Plan or this Sanction Order. In addition, to the extent not previously given, all necessary approvals of and from the shareholders, members, directors, managers or officers of the Plan Applicants, as applicable (including all necessary resolutions, whether ordinary, special or otherwise, of the shareholders, members, directors, managers or officers of the Plan Applicants, as applicable) to take all actions under the Plan or contemplated thereby (including but not limited to the adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan) shall be deemed to have been made, given, passed or obtained, and no agreement between or among the shareholders or members of any Plan Applicants, or any of them, or between a shareholder or member and another Person, that limits or purports to limit in any way the right to vote shares or membership interests held by such shareholder(s) or member(s) with respect to any of the steps or transactions contemplated

by the Plan, shall be effective, and all such agreements shall be deemed to be of no force or effect.

15. Each of the Plan Applicants and the Monitor, and any other Person required to make any distributions, deliveries or allocations or take any steps or actions related thereto pursuant to the Plan are hereby directed to complete such distributions, deliveries or allocations and to take any such related steps and/or actions in accordance with the terms of the Plan, and such distributions, deliveries and allocations, and steps and actions related thereto, are hereby approved.
16. All distributions or payments by the Plan Applicants to the Affected Creditors with Proven Claims under the Plan are for the account of the Plan Applicants and the fulfillment of their respective obligations under the Plan.
17. The Plan Applicants shall be authorized, in connection with the making of any payment or distribution, and the Plan Applicants and the Monitor shall be authorized, in connection with the taking of any step or transaction or performance of any function under or in connection with the Plan, to apply to any Governmental Authority for any consent, authorization, certificate or approval in connection therewith.
18. Any securities or other consideration issued, transferred or distributed pursuant to the Plan shall be issued, transferred or distributed free and clear of any Encumbrances, other than the Encumbrances created in the Plan.
19. Upon receiving from the Plan Applicants pursuant to Article 8.4 of the Plan written notice of the fulfilment or waiver of the conditions precedent to implementation of the Plan, the Monitor is authorized and directed to deliver to the Plan Applicants a certificate substantially in the form attached hereto as **Schedule "A"** (the "**Monitor's Plan Implementation Certificate**", the form of which is hereby approved) signed by the Monitor, certifying that the Plan Implementation Date has occurred and that the Plan is effective in accordance with its terms and the terms of the Sanction Order. As soon as possible following the Plan Implementation Date, the Monitor shall file the Monitor's Plan Implementation Certificate with this Court and post it on the Website.

COMPROMISE OF CLAIMS AND EFFECT OF PLAN

20. Pursuant to and in accordance with the terms of the Plan, on the Plan Implementation Date, (i) all Affected Claims against the Plan Applicants of any nature shall be fully, finally, irrevocably and forever compromised, discharged and released, (ii) the ability of any Person to proceed against the Plan Applicants or any of the Released Parties in respect of or relating to any Affected Claims shall be forever discharged and restrained, and (iii) all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims, if any.
21. Pursuant to and in accordance with the terms of Article 9.4 of the Plan, on the Plan Implementation Date, all Claims in respect of interest accruing on Affected Claims or fees and expenses incurred in respect of Affected Claims on or after the Filing Date, shall be fully, finally, irrevocably and forever compromised, settled, released, discharged, extinguished, cancelled and barred for no consideration and no Person shall have any entitlement to any such accrued and unpaid interest or fees and expenses.
22. On the Plan Implementation Date, the releases set out in Article 7 of the Plan shall become effective and the ability of any Person to proceed against any Released Party in respect of any Claim released therein shall be forever discharged, barred and restrained, and all proceedings with respect to, in connection with, or relating to any such matter is enjoined and permanently stayed; provided that nothing herein shall release or discharge (a) the right to enforce the obligations of any Person under the Plan, (b) any Released Party if the Released Party is determined by a Final Order of a Court of competent jurisdiction to have committed criminal acts, fraud or wilful misconduct, (c) the Plan Applicants, their Directors or their Officers from or in respect of any Unaffected Claim or any Claim that is not permitted to be released pursuant to Section 19(2) of the CCAA, or (d) any Director or Officer of a Plan Applicant from any Claim that is not permitted to be released pursuant to Section 5.1(2) of the CCAA, as determined by a Final Order of the Court. However, notwithstanding anything to the contrary herein, from and after the Plan Implementation Date, a Person may only commence an action against a Released Party in

connection with (b), (c) or (d) above if such Person has first obtained leave of this Court on notice to the applicable Released Party, the Plan Applicants, the Monitor (unless previously discharged), and any applicable insurers; *provided that* no Person shall be prevented from commencing such an action against a Released Party where such an action must be taken in order to comply with statutory time limitations in order to preserve such Person's rights at law, *provided further that* no further steps shall be taken by such Person except in accordance with the other provisions of the Plan (including the requirement herein to obtain the leave of the Court at the first available opportunity), and notice in writing of such action be given to the applicable Released Party, the Plan Applicants, the Monitor (unless previously discharged), and any applicable insurers at the first available opportunity.

23. Each Affected Creditor and each Person holding a released Claim is hereby deemed to have (i) consented to all of the provisions of the Plan, in its entirety, and (ii) executed and delivered to the Plan Applicants and any other Released Party all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

24. Without limiting the provisions of the Claims Procedure Order, any Person that did not file a Proof of Claim, a Notice of Dispute or a Notice of Dispute of Revision or Disallowance (each as defined in the Claims Procedure Order), as applicable, by the Claims Bar Dates (as defined in the Plan, the Claims Procedure Order, or as amended in a subsequent Order) or such other date provided for in the Claims Procedure Order, as applicable, whether or not such Affected Creditor received direct notice of the claims process established by the Claims Procedure Order, shall be and is hereby forever barred from making any Claim and shall not be entitled to any distribution under the Plan, and such Person's Claim shall be and is hereby forever barred and extinguished. Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date or any other bar date deadline provided for in the Claims Procedure Order or subsequent Order or the Plan, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order, the Plan, or the Sanction Order.

25. From and after the Plan Implementation Date, any and all Persons shall be and are hereby barred, stopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims and any matter which is released pursuant to Article 7 of the Plan.
26. As of the Plan Implementation Date, all debentures, notes, certificates, agreements, invoices and other instruments evidencing Affected Claims shall not entitle any holder thereof to any compensation or participation and shall be and are hereby deemed to be cancelled and shall be and are hereby deemed to be null and void.

THE MONITOR

27. The Monitor, in addition to its prescribed rights and obligations under the CCAA, and the Initial Order, shall have the powers, duties and protections contemplated by and required under the Plan, and in this Order, and shall be and is hereby authorized, directed and empowered to perform its functions and fulfill its obligations under the Plan to facilitate the implementation of the Plan.
28. In no circumstance will the Monitor have any liability for any Claims against the Plan Applicants, including but not limited to any Claims with respect to tax liabilities, regardless of how or when such Claims may have arisen.
29. In carrying out the terms of this Sanction Order and the Plan: (i) the Monitor shall have all the protections given to it by the CCAA, the Initial Order, and any other Order in the CCAA Proceedings, and as an officer of the Court, including the Stay of Proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Sanction Order and/or the Plan; (iii) the Monitor shall be entitled to rely on the books and records of the Plan Applicants and any information provided by the Plan Applicants without independent investigation and shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

CLAIM OF META CAPITAL CORPORATION

30. The unsecured claim of Meta Capital Corporation filed in the Claims Procedure by way of a Proof of Claim dated May 9, 2019, is hereby declared to be an unsecured Proven Claim and an Affected Claim for all purposes, in the amount of \$240,581.25.

MISCELLANEOUS

31. The SISP has been completed in accordance with its terms and is hereby terminated.
32. As of the Plan Implementation Date, the CCAA Charges as against the Property of the Plan Applicants shall be discharged.
33. Upon receiving from the Plan Applicants pursuant to Article 8.4 of the Plan written notice of the fulfilment or waiver of the conditions precedent to implementation of the Plan, and after all Disputed Claims have been resolved, the Monitor is authorized and directed to deliver to the Plan Applicants a certificate substantially in the form attached hereto as **Schedule "B"** (the "**Monitor's Plan Completion Certificate**", the form of which is hereby approved) signed by the Monitor. As soon as possible thereafter, the Monitor shall file the Monitor's Plan Completion Certificate with this Court and post it on the Website.
34. As of the date on which the Monitor's Plan Completion Certificate is filed, the CCAA Proceedings with respect to the Plan Applicants shall be terminated without any other act or formality and the Monitor shall be discharged without any other act or formality.
35. Notwithstanding the termination of the CCAA Proceedings, the Monitor shall continue to have the benefit of all of the protections and priorities as set out in the Initial Order, the Plan and this Sanction Order, and the CCAA, and any such protections and priorities shall apply to the Monitor in fulfilling its duties under this Order or in carrying out the provisions of this Order.
36. Notwithstanding the termination of the CCAA Proceedings, the Court shall remain seized of any matter arising from the CCAA Proceedings, and the Plan Applicants and the Monitor shall have the authority from and after the date of this Order to apply to this

Court to address matters ancillary or incidental to the CCAA Proceedings notwithstanding the termination thereof. In completing or addressing any such ancillary or incidental matters, the Monitor shall continue to have the benefit of the provisions of the CCAA and provisions of all Orders made in the CCAA Proceedings in relation to its capacity as Monitor, including all approvals, protections and stays of proceedings in favour of Hardie & Kelly Inc. in its capacity as Monitor.

37. The Plan Applicants and the Monitor may apply to the Court from time to time for advice and direction in respect of any matters arising from or under the Plan and to the extent that any Person (including any of the Plan Applicants or the Monitor) seeks any advice or direction with respect to any matter arising from or under the Plan or this Sanction Order, such motion shall be brought in the Court of Queen's Bench of Alberta.
38. This Sanction Order shall have full force and effect in all provinces and territories of Canada, outside Canada and against all Persons against whom it may be enforceable. The Plan Applicants and the Monitor may apply to a Court of competent jurisdiction to recognize the Plan or this Sanction Order and to confirm the Plan and the Sanction Order as binding and effective in any foreign jurisdiction.
39. This Court hereby requests the aid and recognition of any Court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States, or in any other foreign jurisdiction, to give effect to this Sanction Order and to assist the Plan Applicants, the Monitor and their respective agents in carrying out the terms of this Sanction Order. All Courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Plan Applicants, and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Sanction Order, or to assist the Plan Applicants, and the Monitor and their respective agents in carrying out the terms of this Sanction Order.

40. This Sanction Order shall be posted on the Website at <https://relieffromdebt.ca/elcano-group> and only be required to be served upon the parties on the Service List and those parties who appeared at the hearing of the motion for this Sanction Order.

"B. E. C. ROMAINÉ"
J.C.Q.B.A.

SCHEDULE "A"

FORM OF MONITOR'S PLAN IMPLEMENTATION CERTIFICATE

COURT FILE NUMBER 1901-02578

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANTS **IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended**

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF ELCANO EXPLORATION INC., ELCANO EXPLORATION LTD. and ELCANO ENERGY PARTNERSHIP

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9, as amended

DOCUMENT **MONITOR'S PLAN IMPLEMENTATION CERTIFICATE**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

BORDEN LADNER GERVAIS LLP
Barristers and Solicitors
Centennial Place, 520 – 3rd Avenue SW, #1900
Calgary, Alberta T2P 0R3

Attention: Josef Kruger, Q.C. / Robyn Gurofsky
Tel No.: 403-232-9563 / 403-232-9774
Fax No.: 403-266-1395
Client File No. 436743/000022

**MONITOR'S CERTIFICATE
(Plan Implementation)**

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan of Compromise and Arrangement dated May 31, 2019, as may be further amended, varied or supplemented from time to time in accordance with the terms thereof (the "**Plan**").

Pursuant to paragraph 19 of the Order of the Honourable Madam Justice B. E. C. Romaine made in these proceedings on July 4, 2019 (the "**Sanction Order**") and Article 8.4 of the Plan, Hardie and Kelly Inc. in its capacity as Court-appointed Monitor of the Plan Applicants (the "**Monitor**") delivers to the Plan Applicants this certificate and hereby certifies that:

1. the Monitor has received written notice from the Plan Applicants that the conditions precedent set out in Article 8.3 of the Plan have been satisfied or waived in accordance with the terms of the Plan; and
2. the Plan Implementation Date has occurred and the Plan is effective in accordance with its terms and the terms of the Sanction Order.

DATED at the City of Calgary, in the Province of Alberta, this ___ day of _____, 2019.

HARDIE & KELLY INC., solely in its capacity as Court-appointed Monitor of Elcano Exploration Inc., Elcano Exploration Ltd. and Elcano Energy Partnership, and not in its personal or corporate capacity.

By: _____
Name:
Title:

SCHEDULE "B"

FORM OF MONITOR'S PLAN COMPLETION CERTIFICATE

COURT FILE NUMBER	1901-02578
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANTS	IN THE MATTER OF THE <i>COMPANIES' CREDITORS ARRANGEMENT ACT</i>, R.S.C. 1985, c. C-36, as amended AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF ELCANO EXPLORATION INC., ELCANO EXPLORATION LTD. and ELCANO ENERGY PARTNERSHIP IN THE MATTER OF THE <i>BUSINESS CORPORATIONS ACT</i>, R.S.A. 2000, c. B-9, as amended
DOCUMENT	<u>MONITOR'S PLAN COMPLETION CERTIFICATE</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	BORDEN LADNER GERVAIS LLP Barristers and Solicitors Centennial Place, 520 – 3 rd Avenue SW, #1900 Calgary, Alberta T2P 0R3 Attention: Josef Kruger, Q.C. / Robyn Gurofsky Tel No.: 403-232-9563 / 403-232-9774 Fax No.: 403-266-1395 Client File No. 436743/000022

MONITOR'S CERTIFICATE

(Plan Completion)

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan of Compromise and Arrangement dated May 31, 2019, as may be further amended, varied or supplemented from time to time in accordance with the terms thereof (the "**Plan**").

Pursuant to paragraph 31 of the Order of the Honourable Madam Justice B. E. C. Romaine made in these proceedings on July 4, 2019 (the "**Sanction Order**") and Article 8.2(m) of the Plan, Hardie and Kelly Inc. in its capacity as Court-appointed Monitor of the Plan Applicants (the "**Monitor**") delivers to the Plan Applicants this certificate and hereby certifies that:

1. the Monitor has received written notice from the Plan Applicants that the conditions precedent set out in Article 8.3 of the Plan have been satisfied or waived in accordance with the terms of the Plan; and
2. all Disputed Claims have been resolved.

HARDIE & KELLY INC., solely in its capacity as Court-appointed Monitor of Elcano Exploration Inc., Elcano Exploration Ltd. and Elcano Energy Partnership, and not in its personal or corporate capacity.

By: _____
Name:
Title: