

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Re: Metalore Resources Limited
Application for a Certificate of Public Convenience and Necessity
Ontario Energy Board File No. EB-2019-0089

Should you have any questions on these submissions, please do not hesitate to contact me.

[Original Signed By]

Encl.

c.c. (email only): Armen Chilian, President / CEO, Metalore Resources
Stephen Sangiuliano, Budd Energy Inc.
Peter Budd, OM Limited Partnership
Scott Lewis, On-Energy Corp.

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B) as amended, and in particular, Section 21(2) thereof;

AND IN THE MATTER OF an application by Metalore Resources Limited for a certificate of public convenience and necessity, pursuant to section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M. 55.

SUBMISSIONS OF ENBRIDGE GAS INC.

A. Overview – Public Interest

1. These are the submissions of Enbridge Gas Inc. (“Enbridge”) regarding the application by Metalore Resources Limited (“Metalore”) for an order approving a limited Certificate of Public Convenience and Necessity (“CPCN”) within Norfolk County.
2. As Ontario’s independent energy regulator, it is a goal of the Ontario Energy Board (“OEB”) to ensure Ontario’s energy sector is operating in the public interest meaning that consumers are well served with pricing and a standard of reliable service from energy utilities that is fair and reasonable.
3. Metalore suggests that the OEB’s criteria for determining whether the granting of the requested limited CPCN is in the public interest are to have gas available (i) at an affordable price, (ii) in a timely manner, and (iii) from local suppliers.¹ This is an incomplete view of the public interest criteria normally applied by the OEB.
4. History has shown that when determining whether a project is in the public interest, the OEB typically examines the need for the project, the project cost and economics, the interests of consumers with respect to short-term and long-term prices and the reliability and quality of gas service, the impact on landowners and other environmental impacts, and pipeline design technical requirements.

B. Cost Estimates

5. According to Metalore, the New Leaf Walsh Facility is being built and will be operational with or without natural gas fuel service (alternative is to fuel with propane). If the Metalore gas feed is not approved, New Leaf would either require regular delivery of propane or a natural gas supply from Enbridge. The decision by New Leaf to pursue gas service through Metalore appears to be based on the short-term economics of the proposed supply from Metalore.
6. Metalore is not accurate with its submission that Enbridge provided a \$260,000 quote for gas supply hook-up for the New Leaf Walsh Facility in November 2018 and subsequently

¹ EB-2019-0089 – Metalore Response to Enbridge IR #2(a), June 3, 2019

provided a quote in April 2019 of \$2,314,700 for the same gas supply service². As is evident in the correspondence from Enbridge, the original cost estimate of \$260,000 provided to New Leaf was not based on a detailed examination of supplying this industrial load and Enbridge notified New Leaf that a more detailed examination was being conducted. The original cost estimate was for pipe from the street to the customer connection point only and did not consider the costs of a required transmission reinforcement or distribution main. The feasibility estimate to provide service to Phase 1 of New Leaf's operations (including required transmission reinforcement and distribution main) is \$2.3 million with a significant capital contribution required from New Leaf.

7. While Metalore was asked to provide details of any cost estimates provided to New Leaf by Enbridge regarding the provision of natural gas service to the new greenhouse facility, Metalore only provided limited sections of the submissions made by Enbridge to New Leaf³. A review of the complete submissions made by Enbridge to New Leaf (see Attachments 1A and 1B) reveals that the initial cost estimate only addressed the cost of installing a customer station and piping from the road to the meter location while the feasibility cost estimate provided in April 2019 included transmission reinforcement at the Simcoe North Distribution Station and the installation of 2,743 meters of 2" steel distribution main to reach the customer site.
8. Metalore's claim that New Leaf would not have decided to proceed with construction of its Walsh Facility if they knew earlier in the decision process about the \$2.3 million feasibility cost estimate from Enbridge contradicts Metalore's statement that the Walsh Facility would be built and operational with or without natural gas service⁴. Enbridge bases its connection analysis on long-term safe, reliable and feasible supply rather than on shorter-term economic factors as Metalore has appeared to do in this case.
9. Metalore submits that if New Leaf consumes 90,000 GJ/year, Enbridge would be invoicing New Leaf at an annual all-in gas bill of \$514,140 as a Rate M2 customer while Metalore would be invoicing New Leaf an annual all-in gas bill of \$503,700⁵. It is unclear whether this includes all charges that would need to be applied to the customer (e.g., federal carbon charges). Also, pursuant to Enbridge's April 2019 rates, the annual bill from Enbridge would be approximately \$504,000⁶. It is noteworthy that while utilities distributing less than 3,000,000 m³ of gas are exempt from rate regulation⁷, the proposed 90,000 GJ/year consumption by New Leaf equates to approximately 2,300,000 m³/year. Even a slight increase in actual consumption from forecast would require Metalore's rates to be OEB regulated so this should be monitored through a reporting process.

² EB-2019-0089 – Metalore Response to Enbridge IR #2(a), June 3, 2019

³ EB-2019-0089 – Metalore Response to Enbridge IR #3, June 3, 2019

⁴ EB-2019-0089 – Metalore Response to Enbridge IR #2(a), June 3, 2019

⁵ EB-2019-0089 – Metalore Response to Enbridge IR #4(b), June 3, 2019

⁶ EB-2019-0095 – Enbridge April 2019 QRAM rates proceeding.

⁷ Ontario Regulation 161/99

C. Legislated and Other Requirements

10. When asked to provide a copy of the current Field Line Customer Agreement (“FLC Agreement”) between Metalore and Enbridge, Metalore submitted a copy of the 1991 Gas Purchase Agreement and FLC Agreement with Union Gas⁸. These agreements have been superceded by the current FLC Agreement and Gas Purchase Agreement (see Attachment 2). Contrary to Metalore’s submission that the FLC Agreement makes no mention of a requirement for any CPCN from the OEB, the FLC Agreement clearly states in section 9.05 that the FLC Agreement is “subject to any applicable laws, taxes, orders, rules and regulations of any governmental authority having jurisdiction therein, now or hereafter in effect during the term of this Agreement”. It is therefore Metalore’s obligation to ensure that it has all required regulatory approvals in place to not only run its existing gas supply system but also to add any new customers to that system. It is not Enbridge’s responsibility to direct Metalore to obtain required approvals and licenses. Metalore’s operations are and always have been subject to applicable laws and regulatory authorities such as the OEB, the Technical Standards and Safety Authority (TSSA) and the Ministry of Natural Recourse and Forestry (MNRF).
11. There is uncertainty whether Metalore’s existing system is providing transmission services subject to OEB regulation. Metalore’s existing system consists of transmission lines that move gas from their wells to a gas distributor (Enbridge) similar to the Tribute Resources lines that the OEB determined were, despite arguments that were similar to those currently raised by Metalore, used for the transportation of gas.⁹ This is a matter for the OEB to determine.
12. Regarding Metalore’s proposed service to New Leaf’s Walsh Facility, Enbridge understands Ontario Regulation 212/01 under the *Technical Standards and Safety Act* to require Metalore to hold a gas distributor licence from the TSSA because Metalore would be supplying gas to an end user.
13. Any portion of Metalore’s system deemed to be providing distribution services should be regulated by the OEB and the TSSA like any other Ontario gas distribution system. It seems clear that Metalore will be a gas distributor once it begins deliveries to New Leaf.
14. When asked to explain how Metalore’s existing and proposed pipeline systems are different from the OMLP pipeline used to provide distribution services to a greenhouse facility in Norfolk County, Metalore states that only the new pipeline construction identified in OMLP’s EB-2017-0289 CPCN application required a CPCN from the OEB¹⁰. As was noted in the preamble to the question submitted to Metalore, in its EB-2017-0289 Decision and Order, the OEB did not accept that the proposed OMLP pipeline was a “gathering system” and found instead that it will be providing distribution services. As is the case with Metalore’s proposed project, the sole purpose of the proposed OMLP pipeline was to distribute gas to the Maricann greenhouse facility so the OEB found that the new pipeline provided a distribution function. The same findings should be made with respect to Metalore’s proposed pipelines and facilities to provide service to New Leaf.

⁸ EB-2019-0089 – Metalore Response to Enbridge IR #5(a), June 3, 2019

⁹ EB-2015-0206 – Decision and Order dated May 5, 2016, pages 4 - 6

¹⁰ EB-2019-0089 – Metalore Response to Enbridge IR #5(d), June 3, 2019

15. According to Metalore, they do not require a franchise agreement with local townships or counties prior to constructing facilities to produce and market crude oil or natural gas (see section 18(2) of the *Oil, Gas and Salt Resources Act* or “OGSRA”)¹¹. If Metalore is acting as a distributor, it does not appear that the OGSRA would exempt Metalore from the requirement to have a franchise agreement pursuant to the *Municipal Franchises Act*.
16. A franchise agreement between a municipality and a gas distributor specifies contractual roles, rights and obligations (e.g., how work is to be done and how costs are to be allocated between the municipality and the distributor). Franchise agreements between lower-tier municipalities (like Norfolk County) and distributors are required in order to protect all parties with respect to the construction and operation of gas supply systems. Franchise agreements provide the consent of the municipality for a party to distribute, store and transmit gas in and through the municipality to the inhabitants of the municipality. It is not clear why this consent would not be required if Metalore distributes and transmits gas within Norfolk County.
17. While there are exemptions under the *Municipal Franchises Act* for transmission pipelines that pass through a municipality, this does not appear to be the case for Metalore’s existing or proposed pipelines so a franchise agreement with Norfolk County should be required.
18. Metalore also states that it receives approval from Norfolk County prior to constructing any pipelines on township / county road allowances.¹² Norfolk County is a rural single-tier municipality so road allowances would be considered municipal but there is no evidence on the record of this proceeding showing any approvals that Metalore has received from Norfolk County for the proposed project.
19. According to Metalore, the gas upstream of the processing facilities at the New Leaf Walsh Facility does not meet the definition of “natural gas” as defined by Enbridge in its standard contracts because the gas contained in the pipeline is saturated with water vapour and may contain free water and other “objectionable matter”¹³. Enbridge’s contracts refer to the definition of “gas” as defined in the *Ontario Energy Board Act* (i.e., gas means natural gas, substitute natural gas, synthetic gas, manufactured gas, propane-air gas or any mixture of any of them) so it is not clear what point Metalore is trying to make with its statement. While there are quality standards associated with any gas that would be accepted into Enbridge’s pipeline systems, this would not exempt sub-standard gas from being defined as gas.

D. Capacity to Provide Service

20. Metalore notes in its IR responses that there are no future expansion phases planned for the New Leaf Walsh Facility as of the date of its IR responses¹⁴, but in its application, Metalore refers to the first phase of the replacement of New Leaf’s current 4,000 square foot Walsh facility with a 31,000 square foot facility being completed by October 1, 2019¹⁵. A news article published on December 28, 2018 indicates that phase one of the New Leaf project will focus on building the proposed indoor facility while phase two includes more than 40

¹¹ EB-2019-0089 – Metalore Response to Enbridge IR #5(d), June 3, 2019

¹² EB-2019-0089 – Metalore Response to Enbridge IR #5(d), June 3, 2019

¹³ EB-2019-0089 – Metalore Response to OEB IR #3(e), June 3, 2019

¹⁴ EB-2019-0089 – Metalore Response to Enbridge IR #9(c) and OEB IR #1(b), June 3, 2019

¹⁵ EB-2019-0089 – Metalore Application, page 3

acres of greenhouse growing plans on the site¹⁶. This indication of future development requires further examination of Metalore's claim that it has 23.6 years of remaining reserve life in its wells¹⁷. Enbridge is concerned that the addition of New Leaf to Metalore's system will put the service to existing and future field line customers in jeopardy especially given that Enbridge does not currently have any other sources of gas or infrastructure with which to supply existing field line customers in this area.

21. Metalore states that, if for any reason it were required, the gas flow through the 3 Enbridge meter stations could be reversed such that gas flowed from Enbridge's system to the existing field line customers¹⁸. Enbridge has not been consulted regarding this potential reversal nor are producer stations set up for bi-directional flow. Such a delivery system would require system upgrades in order to be accommodated.
22. Metalore testifies that much of the natural gas entering the Enbridge franchise area is produced from shale gas reservoirs, with significant carbon emissions produced during the completion processes. Metalore implies that high volume fracturing processes have been used to complete these shale gas wells used to provide gas to Enbridge. These invalid submissions by Metalore are not supported by any evidence nor are they useful in supporting the OEB's review of the Application.

E. Conclusions

23. Any company determined to be providing gas distribution services should be required to follow the same legislated regulatory requirements as any other gas distributor. This ensures that any new customer like New Leaf (and existing customers) can be assured that they are being provided services that are appropriately governed.
24. Any determination by the OEB granting the requested CPCN should be based on Metalore being able to ensure that the public interest is being met based on the generally accepted criteria of establishing the need for the project, the project cost and economics, the interests of consumers with respect to short-term and long-term prices and the reliability and quality of gas service, the impact on landowners and other environmental impacts, and pipeline design technical requirements.
25. Metalore's direct service to New Leaf is a distribution service pursuant to the rules of both the TSSA and the OEB. Metalore should be required to provide evidence that it is acquiring all required approvals, licenses and permits (including CPCNs, franchise agreement, TSSA licenses) for its systems before being granted the requested approvals.
26. Metalore should also be required to provide proof that it will be able to provide ongoing service to existing and future field line customers and to the New Leaf facility based on the current phase 1 expansion of the Walsh Facility and future expansion plans related to this site.

¹⁶ <https://www.simcoereformer.ca/news/local-news/vandenbussche-to-lead-cannabis-operation>

¹⁷ EB-2019-0089 – Metalore Response to Enbridge IR #6, June 3, 2019

¹⁸ EB-2019-0089 – Metalore Response to OEB IR #4(f), June 3, 2019

Attachment 1A
Enbridge Gas November 2018 Connection Cost Estimate

Robert Miles

From: Robert Miles <robmiles1101@icloud.com>
Sent: Monday, February 11, 2019 2:18 PM
To: Robert Miles
Subject: Fwd: [External] 1195 Charlottesville road 5

Sent from my iPhone

Begin forwarded message:

From: Ted Collins <ercollins@uniongas.com>
Date: February 11, 2019 at 11:13:59 AM EST
To: Robert Miles <robmiles1101@icloud.com>
Subject: RE: [External] 1195 Charlottesville road 5

Good morning Robert. At this load and pressure we are able to make this happen without extensive background work. The original estimate of \$250 000 to install the line to the front of the site is still a consideration however.

I will work on developing a firm price based on construction after April 1st to be in place for the beginning of the next heating season. If development proceeds into 2020 those costs will need to be rebalanced for inflation and contractor costs.

Regarding sharing the total cost though. There will be a number of properties along the route from point A to your property at point B. Those along the route will be invited to share in the cost but are not obligated to do so. Residential homes typically offset \$1000 +/- of the construction costs and would be the standard participation cost. Larger facilities like grain drying use more gas and should contribute more. But again no one is obligated to. The day after the gas line is active, we have to connect anyone who applies provided we have the pressure and capacity and it does not cause shortage for other customers, like you.

I hope this helps and if you have further questions please let me know.

Regards,

Ted Collins
Senior Analyst, Construction and Growth
Waterloo/Brantford District

ENBRIDGE GAS INC. OPERATING AS UNION GAS
TEL: 519-752-5211 | Internal Ext 5052058 | ercollins@uniongas.com
348 Elgin St. Brantford ON N3T 5M4
uniongas.com
Integrity. Safety. Respect.

From: Ted Collins
Sent: Friday, February 1, 2019 11:13 AM
To: 'Robert Miles' <robmiles1101@icloud.com>
Subject: RE: [External] 1195 Charlottesville road 5

Good morning Robert, thank you for the information. I sent this in yesterday for review.

Regards,

Ted Collins

Senior Analyst, Construction and Growth
Waterloo/Brantford District

ENBRIDGE GAS INC. OPERATING AS UNION GAS

TEL: 519-752-5211 | Internal Ext 5052058 | ercollins@uniongas.com
348 Elgin St. Brantford ON N3T 5M4

uniongas.com

Integrity. Safety. Respect.

From: Robert Miles [<mailto:robmiles1101@icloud.com>]

Sent: Tuesday, January 29, 2019 8:33 AM

To: Ted Collins <ercollins@uniongas.com>

Cc: Ryan Vandanbossche <rvandenbussche@nhlpa.com>; chris@mystiq.ca

Subject: Fwd: [External] 1195 Charlottesville road 5

Here is info requested . I need some quicker feedback as we are trying to establish our build schedule and I need this gas situation figured out . If you can't provide what we need we will need to know what you can provide and costing and timing . If we can get more then we would be fine with more supply .
Sent from my iPhone

Begin forwarded message:

From: Dave Thompson <dthompson@walterfedy.com>

Date: January 28, 2019 at 4:33:06 PM EST

To: Robert Miles <robmiles1101@icloud.com>

Cc: Simon Sahi <ssahi@walterfedy.com>

Subject: RE: [External] 1195 Charlottesville road 5

Rob,

For their load estimation purposes allow for 5 million at 10 psi. We can size and configure piping with PRV's at appliances to suit the pressure UG provides but start with 10 psi and we'll allow for PRV's to suit.

Regards
Dave

Dave Thompson, P.Eng., LEED AP

General Manager, Hamilton Office, Corporate
Partner

WALTERFEDY

Robert Miles

From: ercollins@uniongas.com
Sent: Thursday, November 22, 2018 10:39 AM
To: Robert Miles
Cc: ercollins@uniongas.com
Subject: Revised Estimate - Natural Gas Inquiry - Project Name: Charlotteville 5 - Address: 1185 Charlotteville 5, Simcoe ON
Attachments: Customer Access Process OFF-MAIN PDF Brochure.pdf



Further to our email with a high level cost to get natural gas to your neighbourhood, I have calculated a more comprehensive estimate.

The cost to have a natural gas main in front of your home is **\$260,000.00**.

The cost of the installation changes based on the number of customers that connect in the first year of the project and the cost would be shared equally between the homeowners. The end of mains closest to you are at 1072 Charlotteville E QL Rd and 1195 Turkey Point Rd. Both are near equal in distance and have the same number of properties that could be interested. The estimated amount is based from your property to either location. To include the distance from one to the other assume double the cost at \$540 000.

If you could engage your neighbours to assess their interest, keeping in mind the additional gas load could help reduce the cost of the project. If you could ask them to go online and fill out the inquiry form at Uniongas.com/naturalgasinquiry using the project name **Charlotteville 5**, we will communicate directly to all of them. This cost would be shared by all of the homes interested in attaching to the gas main in the first year.

Please note this more detailed estimate is based on our current construction season only. If your affirmative response comes in later than **July 15/2018**, we may have to re-calculate your project cost next year, since we do not install gas mains during the winter season.

If this amount is acceptable, please reply back to this email and indicate yes, it is acceptable, and we will then pursue a final detailed costing to you.

Thank you for your interest,

Ted Collins
New Business Project Coordinator,
Union Gas Limited

[Contact Us](#) | [Privacy Policy](#) | UnionGas.com

If you have an inquiry or if you are not the intended recipient, please use the information found on our [contact us](#) page to reach us by email or phone.

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Attachment 1B
Enbridge Gas April 2019 Feasibility Cost Estimate

April 1, 2019

New Leaf Canada

Feasibility Estimate: 31,000 sq. ft. Cannabis Facility

Contact Information

Service Address

1195 Charlotteville Road 5, Norfolk County

Project Description

Heat Load Requirements for 31,000 sq. ft. Cannabis Facility

Summary

Enbridge Gas Inc. operating as Union Gas, herein after referred to as “Union Gas” has estimated the service parameters to be used for this project (shown below):

Item	Service Parameters
Delivery Pressure (kPa)	70
Firm Hourly Quantity (m ³ /hour)	200
Interruptible Hourly Quantity (m ³ /hour)	n/a
Maximum Hourly Quantity (m ³ /hour)	200
Firm Daily Demand (m ³ /day)	3,200
Interruptible Daily Demand (m ³ /day)	n/a
Firm Minimum Annual Volume (m ³ /year)	960,000
Interruptible Minimum Annual Volume (m ³ /year)	n/a
Estimated Annual Volume (m ³ /year)	TBD

Construction Details

In order to accommodate the required load of **200 m³/h of firm service**, the following is required:

Build and Install a Customer Station and Service at the site:

- Pressure cut station to reduce High Pressure flow to Intermediate Pressure flow.
- Pressure cut station to reduce from Intermediate flow to 70 kPa at customer site.
- Customer Station for 200 m³/hour of flow at 70 kPa

Transmission Reinforcement to provide 200 m³/hour and maintain capacity for all other customers:

- 525 meters of 8” steel transmission reinforcement at the Simcoe North Distribution Station.

Distribution Main

- 2,743 meters of 2” steel distribution main to reach the customer site.

Estimated Cost

The feasibility estimate to complete the work above is:

Customer Station and Service at Site <ul style="list-style-type: none">- Pressure cut station from High Pressure flow to Intermediate Pressure flow.- Pressure cut station from Intermediate flow to 70 kPa at customer site.	\$ 33,651.00
Transmission Reinforcement <ul style="list-style-type: none">- 525 meters of 8" steel transmission reinforcement at the Simcoe North Distribution Station.	\$ 1,035,870.00
Distribution Main <ul style="list-style-type: none">- 2,743 meters of 2" steel distribution main to reach the customer site.	\$ 1,245,180.00
Total	\$ 2,314,700.00

This is a high-level estimate; the accuracy of this cost estimate is within a tolerance of +40%/-25%. Union Gas does not reserve any capacity on the system for feasibility estimates.

If you decide to proceed with the project, Union Gas will complete a more detailed engineering analysis before a budget estimate can be completed. It generally takes an additional 6-8 weeks to complete a budget estimate from the date the customer confirms to proceed. Depending on the complexity of the project, more time may be required.

Customer Requirements

Should your site require a new telemetry installation, you will be required to provide and pay for all equipment and all utilities required, including power and telephone service as specified by Union. The exclusive telephone line for each meter must not employ a manual switchboard. Union will specify the requirements for your request at the time of the Budget estimate.

Note: All distribution contracts require a telemetry installation.

In-Service Date

Union Gas will also need confirmation of the requested in-service date. Based on what has been provided your requested **In-Service Date is: September 1, 2019.**

As there is a need to build and install a customer station, build and install pipeline for transmission capacity reinforcement and build and install a distribution main, **September 1, 2019 is not an achievable in-service date.** A more definite date would be determined should Union Gas proceed with a budget estimate.

Additional Notes

The above estimate is based on the current state of the system. The requirements to serve the projected load may change between the times that this analysis was done and when the budget estimate is completed.

Please note that any changes to the originally requested parameters Union Gas will need to start a new analysis and this may ultimately impact Union Gas' ability to meet the requested in-service date.

Next Steps

If you wish to proceed with a more detailed budget, please advise Union Gas by the 22nd April, 2019. After this date, a new review of the system will need to be started and a new feasibility estimate will be provided.

Dated: April 1, 2019

All inquiries regarding this proposal should be directed to:

Patrick Boyer
Account Manager,
Enbridge Gas Inc.
519-436-5470
Patrick.boyer@enbridge.com

Attachment 2
Gas Purchase Agreement and Field Line Customer Agreement
September 2017

**ONTARIO PRODUCTION
GAS PURCHASE AGREEMENT**

DATED:

SEPTEMBER 1, 2017

BETWEEN

METALORE RESOURCES LIMITED

AND

UNION GAS LIMITED

THIS ONTARIO PRODUCTION GAS PURCHASE AGREEMENT dated as of the first day of September 1, 2017.

BETWEEN:

UNION GAS LIMITED, a company existing under the laws of the Province of Ontario
(hereinafter referred to as "Union")

-and-

METALORE RESOURCES LIMITED, existing under the laws of the Province of Ontario,
(hereinafter referred to as "Seller")

WHEREAS Union is engaged in purchasing, transporting, storing and distributing gas in the Province of Ontario;

AND WHEREAS Seller is a producer of gas within the Province of Ontario;

AND WHEREAS Seller has agreed to sell and deliver gas to Union, and Union has agreed to receive and purchase gas from Seller as hereinafter provided;

AND WHEREAS Seller and Union have established or have agreed to establish gas Delivery Locations, as hereinafter defined, where gas produced from Seller's wells shall be sold by Seller to Union.

NOW THEREFORE, this agreement witnesses that in consideration of the mutual covenants and agreements herein contained, the Parties hereby agree as follows:

ARTICLE I – INTERPRETATION AND DEFINITIONS

- 1.01 Divisions, Headings and Index: The division of this Agreement into Articles, Sections and Subsections, and the insertion of headings and any table of contents or index provided are for convenience of reference only, and shall not affect the construction or interpretation hereof.
- 1.02 Industry Usage: Words, phrases or expressions which are not defined herein and which, in the usage or custom of the business of the transportation, storage, and distribution or sale of natural gas have an accepted meaning shall have that meaning.
- 1.03 Extended Meaning: Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. The words "herein" and "hereunder" and words of similar import refer to the entirety of this Agreement, including the Schedules incorporated into this Agreement, and not only to the Section in which such use occurs.
- 1.04 Conflict: In the event of any conflict between the provisions of the main body of this Agreement, Schedules "1", "2" and "3" and Union's Hub Contract Pricing Provisions and M13 Rate Schedules, as defined below, the provisions of Schedules "1", "2" and "3" shall prevail over the provisions of the main body of the Agreement and the provisions of Union's Hub Contract Pricing Provisions and M13 Rate Schedules shall prevail over Schedules "1", "2" and "3" and the main body of this Agreement.
- 1.05 Currency: All reference to dollars in this Agreement shall mean Canadian dollars unless otherwise specified.

1.06 Schedules: Refers to the schedules attached hereto which are specifically included as part of this Agreement, and include:

Schedule "1" - Contract Parameters

Schedule "2" – Price Calculation Example

Schedule "3" – Field Line Customer Agreement

Schedule "A" - General Terms and Conditions

1.07 Rate Schedules:

- a) **"Pricing Provisions on Union Gas' Hub Contract"** shall mean Union's Schedule "2": Pricing Provisions on Union Gas' Hub Contract, or such other replacement rate schedule which may be applicable to the Services provided hereunder pursuant to Article 4.03 hereof.
- b) **"Union's M13 Rate Schedule"** or the **"M13 Rate Schedule"** or **"M13"** shall mean Union's M13 Rate Schedule (including Schedule "A 2013" (**"General Terms and Conditions"**)), or such other replacement rate schedule which may be applicable to the Services provided hereunder, and shall apply hereto, as amended from time to time, and which is incorporated into this Agreement pursuant to Article 4.03 hereof.

1.08 Measurements: Units set out in SI (metric) are the governing units for the purposes of this Agreement. Units set out in Imperial measurement in parentheses beside their SI (metric) equivalent are for reference only and in the event of a conflict between SI (metric) and Imperial measurement herein, SI (metric) shall prevail.

ARTICLE II- SERVICES

2.01 Seller shall tender for sale to Union, at the Point of Delivery, on a reasonable efforts basis (such receipt and purchase to also be known as "Services"), gas produced from Seller's wells, excepting such volumes of gas as required by Seller to operate Seller's gas wells.

2.02 Union shall receive and purchase, on a reasonable efforts basis, gas tendered by Seller provided that:

- a) Union has sufficient System Capacity to receive and sell the gas offered for sale by Seller;
- b) the quality of such gas meets the Terms and Conditions as set forth in Schedule "A", General Terms and Conditions, Article II. and,
- c) the volume of gas tendered at each Point of Delivery for any day does not exceed the corresponding Maximum Daily Volumes as stated in Schedule "1", Article 2 unless mutually agreed upon in writing by both Parties.

ARTICLE III - PRICE

3.01 The "Price" to be paid by Union to Seller for all gas received by Union under this Agreement, in a calendar Month (the "Delivery Month"), shall be determined by Union, and shall be calculated as outlined in Schedule "1", Article 9.

3.02 The Price paid shall be subject to any orders, rules and regulations of any entity having jurisdiction over such Price, or the calculation of such Price, now or hereafter in effect during the term of this Agreement.

- 3.03 With respect to the Unions' cost of gas allowed by the Ontario Energy Board ("OEB"), in the event that the OEB disallows from Unions' cost of gas all or any part of the Price as set out herein, Union shall be obligated to pay only such Price as allowed in the Union's cost of gas by the OEB.
- 3.04 If an event occurs or circumstances arise of any nature whatsoever (including but not limited to governmental or regulatory action), which relates to the Price which is not within the control of either Party and which is not specifically provided for herein, and the effect of which is to render a Party's further performance under this Agreement unduly onerous, such an event or circumstance (herein referred to as "Hardship") shall cause the Parties to take all reasonable steps to amend the pricing provision. In the event that the Parties cannot agree on the amendments within 180 days of the occurrence of a Hardship, this Agreement shall terminate upon sixty (60) days written notice being provided by either Party to the other.
- 3.05 If at any time during the term of this Agreement the Price payable hereunder is established, prescribed or otherwise set by acts of the Federal or Provincial Parliaments or their Boards, Agencies or Commissions or other governmental authority having jurisdiction whether under present or future acts, rules or orders (hereinafter referred to as "Re-regulation"), the Parties hereto shall immediately determine the terms and conditions in this Agreement that are affected by such Re-regulation and shall take steps to amend such terms and conditions accordingly. In the event that the Parties cannot agree on the amendments this Agreement shall terminate upon sixty (60) days written notice being provided by either Party to the other.

ARTICLE IV - MISCELLANEOUS PROVISIONS

- 4.01 Notices: All communications provided for or permitted hereunder shall be in writing, personally delivered to an officer or other responsible employee of the addressee or sent by registered mail, charges prepaid, or by email or other means of recorded telecommunication, charges prepaid, to the applicable address set forth below or to such other address as either party hereto may from time to time designate to the other in such manner, provided that no communication shall be sent by mail pending any threatened, or during any actual, postal strike or other disruption of the postal service. Any communication personally delivered shall be deemed to have been validly and effectively received on the date of such delivery. Any communication so sent by email or other means of telecommunication shall be deemed to have been validly and effectively received on the Business Day following the day on which it is sent. Any communication so sent by mail shall be deemed to have been validly and effectively received on the seventh Business Day following the day on which it is postmarked.

Union Gas Limited
50 Keil Drive North
P. O. Box 2001
Chatham, Ontario N7M 5M1

Telephone (519) 436-5413
Attention: Gas Supply Department

or to such other address as Seller or Union may from time to time designate by notice in writing one to the other. Notice shall be deemed to be received when the records of the mode of communication verifies the receipt of such notice. Emergency notices shall be delivered to Seller's Resident Operator as set out in Schedule "I" Article 6.

- 4.02 Law of Contract: The Agreement and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Agreement shall be varied and amended to comply with or conform to any valid order or direction

of any board, tribunal or administrative agency which affects any of the provisions of the Agreement.

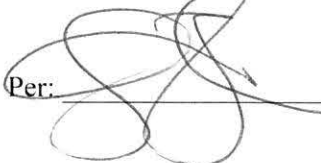
- 4.03 This Agreement (including Schedule "1", Schedule "2", Schedule "3" and Schedule "A"), all applicable rate schedules and price schedules, and any applicable Precedent Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. This Agreement supersedes any prior or contemporaneous agreements, understandings, negotiations or discussions, whether oral or written, of the parties in respect of the subject matter hereof.
- 4.04 Time of Essence: Time shall be of the essence hereof.
- 4.05 Counterparts: This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original but all of which together shall constitute one and the same agreement. This Agreement may be executed by email or other electronic communication and this procedure shall be as effective as signing and delivering an original copy.
- 4.06 Severability: If any provision hereof is invalid or unenforceable in any jurisdiction, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be construed in order to carry out the intention of the parties as nearly as possible and (b) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of any provision in any other jurisdiction.
- 4.07 General Liability: The liability of the parties hereunder is limited to direct damages only and all other remedies or damages are waived. In no event shall either party be liable for consequential, incidental, punitive, or indirect damages, in tort, contract or otherwise.

THIS AGREEMENT SHALL BE BINDING UPON and shall enure to the benefit of the parties hereto and their respective successors and permitted and lawful assigns.

IN WITNESS WHEREOF this Agreement has been properly executed by the parties hereto by their duly authorized officers as of the date first above written.


APPROVED FOR EXECUTION
LEGAL ✓
FINANCE
TAX
CREDIT
INSURANCE
GAS SUPPLY 6

UNION GAS LIMITED

Per: 

Director, Gas Supply & Customer Support

METALORE RESOURCES LIMITED

Per: 

Authorized Signatory

SCHEDULE "1" – CONTRACT PARAMETERS

To the Ontario Production Gas Purchase Agreement (the "Agreement") dated the 1st day of September, 2017. Between Metalore Resources Limited ("Seller") and Union Gas Limited (Union").

1. Delivery Location

As provided for in Article 2.01 of the Agreement, Seller shall convey the gas to be purchased at the Point(s) of Delivery as follows:

- Delivery Location #1:** Each individual natural gas meter for Field Line Customers as listed in Appendix to Schedule 3. As amended from time to time. Notwithstanding anything else in this Agreement, Article V.4. a), c), d) and e) of Schedule A do not apply to Delivery Location #1.
- Delivery Location #2:** The gas production site measured by Union's meter located at Lot 4, Concession VI, Charlotteville, Norfolk County, Province of Ontario, Station #11T-508.
- Delivery Location #3:** The gas production site measured by Union's meter located at Lot 20, Concession III, Charlotteville, Norfolk County, Province of Ontario, Station #11U-602
- Delivery Location #4:** The gas production site measured by Union's meter located at Lot 18, Concession VIII, Charlotteville, Norfolk County, Province of Ontario, Station #11U-102.

2. Maximum Daily Volume

Seller agrees to limit the volume of gas delivered in any one Day at the Delivery Location as hereinafter stated:

- Delivery Location #1:** Not Applicable
- Delivery Location #2:** 16.3 10^3m^3 of gas.
- Delivery Location #3:** 20.0 10^3m^3 of gas.
- Delivery Location #4:** 11.0 10^3m^3 of gas.

In the event the Seller exceeds its cumulative Maximum Daily Volume for all Delivery Locations, Union may, at Union's option, suspend receipts of gas until the Union's receipts of gas matches the cumulative Maximum Daily Volume for all Delivery Locations.

3. **Operating Fee**

Effective on the date of implementation of Union Gas' 2019 Cost of Service rates, Seller shall pay to Union a monthly operating fee equal to the Monthly fixed charge per Customer Station as prescribed by the Union Gas M13 Rate Schedule as approved by the OEB per Delivery Location.

Until such time of implementation of Union Gas' 2019 Cost of Service rates, Seller shall pay to Union a monthly operating fee in the amount of \$90 per Delivery Location.

Delivery Location #1: Not Applicable

4. **Payments**

Payments to Seller for gas received by Union, as provided for in Schedule "A", Article VII shall be made by cheque or electronic funds transfer (as directed by Seller) payable to:

Metalore Resources Limited
89 Kitchen Road
Vittoria, ON N0E 1W0

5. **Agreement Notices**

Notices to Seller with respect to this Agreement, as provided for in Article 4.01 of the Agreement shall be addressed to Seller at:

Attention: Metalore Resources Limited
Armen Chilian
89 Kitchen Road
Vittoria, ON N0E 1W0
info@metaloresources.com
519-428-2464 (office)

6. **Seller's Resident Operator**

Attention: Metalore Resources Limited
Jon Chilian
89 Kitchen Road
Vittoria, ON N0E 1W0
chilian@sympatico.ca
1-519-428-6066 (cell)
1-519-426-8027 (home)

1-519-428-2464 (office)

Seller shall notify Union of any changes to Seller's resident operator within forty-eight (48) hours of any such change taking place.

7. **Maximum Allowable Operating Pressure (MAOP)**

Seller's MAOP at each Delivery Location shall be as follows:

Delivery Location #1: Not Applicable
Delivery Location #2: MAOP is 860 kPa
Delivery Location #3: MAOP is 1,030 kPa
Delivery Location #4: MAOP is 1,030 kPa

The pressure of the gas delivered by Seller to Union at the Receipt Point(s) shall be sufficient to move gas into Union's pipeline but may not exceed the MAOP at the Receipt Point(s) as specified above. Union may change the MAOP from time to time and Union shall provide to Seller six (6) months' notice of such change in accordance with the provisions of Schedule "A", Article XIV.

8. **Modified Water Vapour Requirement**

Subject to the terms herein, Union will accept, at each Delivery Location, gas from Seller which contains a maximum water vapour content of 230 MG per M³ (14 Lbs./MMCF) provided that Union's pipeline system into which Seller's gas is delivered has a maximum operating pressure rating of 1900 kPa or less. In the event Seller's gas is delivered into Union's pipeline system at a pressure of more than 1900 kPa, the conditions of Rate M13 General Terms and Conditions, Section II.2h will apply. Both Parties agree that should Union at any time experience malfunctioning of or deterioration of the measurement equipment, gas control equipment, or other appurtenance, in Union's pipeline system or should Union's customers experience problems with the combustion or usage of gas in their gas burning equipment due to excessive moisture content, Union at its sole discretion may reduce the maximum water vapour requirement for gas delivered under the Agreement to that which is specified in Rate M13 General Terms and Conditions, Section II.2h. In the event Union reduces the maximum water vapour requirement to that which is specified in Rate M13 General Terms and Conditions, Section II.2h, Union shall continue to purchase Seller's gas at 230 MG per M³ (14 Lbs./MMCF) for ninety (90) days after such notice. Upon the termination of such ninety (90) days Seller's gas must meet Rate M13 General Terms and Conditions, Section II.2h, requirements.

9. **Price**

The Price expressed in Canadian dollars (\$) per GJ is the "Dawn Indexed Price" which is a price calculated (example attached as Schedule "2") using the monthly Dawn index for the Delivery Month as reported in the **Canadian Gas Price Reporter Canadian and U.S. Spot Gas Price differentials** (where Dawn row and column meet on the chart) less Union's balancing and transportation charge, as determined by **Pricing Provisions on Union Gas' Hub Contract** which is in effect on the last day of the Delivery

Month. Union's balancing and transportation charge is equal to the Balancing rate applicable to Parking Service: Delivery to Union Within Calendar Month in \$CDN per GJ. The Price is applied by multiplying it by the product of a) the Delivery Month volume in 10^3M^3 and b) the Heating Value of 39.00 MJ/M^3 which is a volume weighted average of all of Union's Ontario gas producers as determined by Union.

SCHEDULE “2” - PRICE CALCULATION EXAMPLE

The following is an illustration of calculating the Dawn Indexed Price as reported for the month of May 2016. This example is for illustration purposes only, since May 2016 does not fall within the term of this agreement:

May 2016 Dawn Index per Canadian Gas Price Reporter where The Dawn row and column meet on the chart	\$2.540
Less: Union's balancing and transportation charge per Schedule 2: Pricing Provisions on Union's Hub Contract applicable to May 30, 2016	<u>\$(0.10)</u>
Net price payable (Canadian \$ per GJ) for May 2016 deliveries	<u>\$2.440</u>

Note: This equates to approximately \$94.77 per 10^3M^3 or \$2.685 per MCF.

To convert \$/GJ to \$/ 10^3m^3 multiply by 39.00 (Heating Value*)

To convert \$/ 10^3m^3 to \$/MCF divide by 35.30096

* Heating value of 39.0 MJ/M^3 (or about 1029 Btu/Cu.Ft.) is a volume weighted average of all of Union's Ontario Gas producers (within the maximum allowed heating value) as calculated on January 11, 2008.

Schedule "A"
Gas Purchase Agreement
GENERAL TERMS AND CONDITIONS

I. Definitions

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms and Conditions and in any Agreement into which these General Terms and Conditions are incorporated, shall be construed to have the following meanings:

"Agreement" shall refer to the agreement to which this GT&C shall apply and into which they are incorporated;

"Aid to Construction" shall include any and all costs, expenses, amounts, damages, obligations, or other liabilities (whether of a capital or operating nature, and whether incurred before or after the date of the Agreement) paid or payable by Union (including amounts paid or payable to affiliates for services rendered in accordance with the Affiliate Relationships Code as established by the OEB) in connection with or in respect of satisfying the conditions precedent set out in Article 16 herein (including without limitation the cost of construction, installation and connection of any required meter station as described in Article 6, the obtaining of all governmental, regulatory and other third party approvals, and the obtaining of rights of way) whether resulting from Union's negligence or not, except for any costs that have arisen from the gross negligence, fraud, or wilful misconduct of Union;

"Average Local Producer Heat" ("ALPH") shall mean the heat content value as set by Union, and shall be determined by volumetrically averaging the gross heat content of all produced gas delivered to the Union system by Ontario Local Producers. The ALPH shall be expressed in GJ/10³m³ and may be adjusted from time to time by Union;

"Business Day" shall mean any day, other than Saturday, Sunday or any days on which national banks in the Province of Ontario are authorized to close;

"Contract Year" shall mean a period of three hundred and sixty-five (365) consecutive days; provided however, that any such period which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days, commencing on November 1 of each year; except for the first Contract Year which shall commence on the Commencement Date and end on the first October 31 that follows such date;

"cricondentherm hydrocarbon dewpoint" shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;

"cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

"Day" shall mean a period of twenty-four (24) consecutive hours beginning at 10:00 a.m. Eastern Clock Time. The reference date for any Day shall be the calendar date upon which the twenty-four (24) hour period shall commence;

"Delivery Location" shall mean each of the sites, as specified in Schedule "1", Article 1, where a meter station is located for the purpose of receiving and measuring the volumes of gas received from Seller hereunder;

"Distribution Demand" shall mean the varying demand for the supply of gas, as determined by Union, on Union's pipeline and distribution system for users of gas who are supplied or delivered gas by Union's pipeline and distribution system;

"gas" shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Sch. B, as amended, supplemented or re-enacted from time to time;

"gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;

"hydrocarbon dewpoint" shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;

"Interconnecting Pipeline" shall mean a pipeline that directly connects to Union's pipeline and distribution system;

"joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;

"m³" shall mean cubic metre of gas and **"10³m³"** shall mean 1,000 cubic metres of gas;

"MAOP" shall mean the maximum allowable operating pressure of Union's pipeline and distribution system and as further defined in Schedule "1" of the Agreement;

"Maximum Daily Volume" shall mean that volume of gas for each Delivery Location as set out in Schedule "1", Article 2;

"Month" shall mean the period beginning at 10:00 a.m. Eastern Clock Time on the first day of a calendar month and ending at 10:00 a.m. Eastern Clock Time on the first day of the following calendar month;

"OEB" means the Ontario Energy Board;

"pascal" "(Pa)" shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" "(kPa)" shall mean 1,000 pascals;

"Point of Delivery" for all gas delivered hereunder shall mean the point at the inlet side of Union's meter which is located at each Delivery Location;

"Prime Rate" shall mean the rate of interest expressed as a percentage per annum charged to Union by its principal banker from time to time and used as a reference rate for determining interest rates on Canadian dollar demand loans;

"Specific Gravity" shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

"System Capacity" shall mean the volumetric capacity that exists from time to time within Union's pipeline and distribution system which determines Union's ability to accept volumes of gas into Union's pipeline and distribution system hereunder. System Capacity shall be determined by Union and such determination, in addition to the physical characteristics of Union's pipeline and distribution system Distribution Demand, shall also include consideration of Union's local Distribution Demand, Union's total system Distribution Demand, availability of Union's gas storage capacity, and other gas being purchased and/or delivered into Union's pipeline and distribution system;

"Taxes" shall mean any tax (other than tax on income or tax on property), duty, royalty, levy, license, fee or charge not included in the charges and rates as per the applicable rate schedule (including but not limited to charges under any form of cap and trade, carbon tax, or similar system) and that is levied, assessed or made by any governmental authority on the gas itself, or the act, right, or privilege of producing, severing, gathering, storing, transporting, handling, selling or delivering gas under the Agreement;

"wells" shall include conventional production wells for gas, as well as any other production facility producing gas meeting the quality standards required in this Agreement; and,

"Wobbe Number" shall mean gross heating value of the gas divided by the square root of its specific gravity.

II. GAS QUALITY

1. Gas Quality requirements under these General Terms and conditions are as specified in Article II, Section 1-4 of the Rate M13 General Terms and Conditions, Schedule "A 2013", as approved by the OEB. For the purposes of these General Terms and conditions, the term "Shipper" shall mean Seller.

III. MEASUREMENTS

1. Service Unit: The unit of the gas delivered to Union shall be a quantity of 10^3m^3 . The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m^3) or one thousand cubic metres (10^3m^3) at Union's discretion.
2. Determination of Volume and Energy:
 - a. The volume and energy amounts determined under the Agreement shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.

- b. The supercompressibility factor shall be determined in accordance with either the **"Manual for Determination of Supercompressibility Factors for Natural Gas"** (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
- c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article 6 herein.

IV. POSSESSION AND RESPONSIBILITY OF GAS

- 1 Possession of Gas: Title, possession, custody and control of all gas shall pass from Seller to Union at the Point of Delivery. Union shall have no responsibility with respect to any gas deliverable hereunder until it is delivered to Union at the Point of Delivery and subject to Article V, Section 2 herein, Seller shall have no responsibility with respect to such gas after its delivery to Union at the Point of Delivery provided it meets the terms of this Agreement.
- 2 Liability: Seller shall be liable for any and all damages suffered by Union and shall protect and indemnify and save Union harmless from and against any and all loss, claims and damages including claims against Union for personal injuries and damages to property, caused by or arising out of delivery of gas: the quality or condition of which does not conform to the specifications herein contained; or by the delivery of gas in a manner not in accordance with the terms of this Agreement, or any other breach of this Agreement by the Seller except for any damages resulting from or in any way attributable to Union's negligence or failure to act reasonably. Union agrees to use reasonable efforts to mitigate all damages, expenses and costs.

V. FACILITIES ON SELLER'S PROPERTY

- 1 Meter Station: Union shall provide, at the Delivery Location(s) according to the terms hereunder, the meter station required to receive and measure the Maximum Daily Volume of gas received by Union from Seller. Seller agrees, if requested by Union, to provide Union with sufficient detailed information regarding Seller's current and expected operations in order to aid Union in Union's design of the meter station.
- 2 Union Obligations: Pursuant to Article V, Section 1 herein, Union shall purchase, install and maintain, on the Delivery Location:
 - a. a meter and any associated recording gauges as are necessary, and;
 - b. a suitable gas odourizing injection facility where Union deems such facility to be necessary;
- 3 Union Equipment: All equipment installed by Union at the Delivery Location(s) shall remain the property of Union at all times, notwithstanding the fact that it may be affixed to Seller's property. Union shall be entitled to remove said equipment at any time within a period of sixty (60) days from any termination or expiry of this Agreement. Seller shall take all necessary steps to ensure Union may enter onto the Delivery Location(s) to remove such equipment for a period of sixty (60) days after termination or expiry of this Agreement.
- 4 Seller Obligations: Upon Union's request Seller shall, at Seller's own cost and expense:

- a. obtain a registered lease or freehold ownership at the Delivery Location(s) sufficient to provide Union with free uninterrupted access to, from, under and above the Delivery Location(s) and the right to construct, maintain, replace and remove Union's equipment, for a term (and extended terms) identical to the Agreement, plus sixty (60) days, and shall provide Union with a bona fide copy of such lease agreement prior to Union commencing the construction of the meter station;
 - b. deliver gas to Union on a reasonable efforts basis, at each Delivery Location according to the terms set out herein;
 - c. furnish, install, set, and maintain suitable pressure and volume control equipment and such additional equipment as required on Seller's delivery system, to protect against the over-pressuring of Union's facilities, and to limit the daily flow of gas to the corresponding Maximum Daily Volumes applicable to the Delivery Location(s);
 - d. supply, install and maintain a gravel or cut stone covering on each Delivery Location and shall maintain such Delivery Location(s) in a safe and workmanlike manner;
 - e. install and maintain a fence and protection barrier satisfactory to Union around the perimeter of each Delivery Location which will adequately secure and protect Union's equipment therein; and,
5. Maintenance Costs: Seller shall within thirty (30) days of the delivery of an invoice by Union, reimburse Union for any actual costs reasonably incurred by Union for any repair, replacement, relocation, or upgrading of any meter station requested by Seller, or as required by law, or by duly constituted regulatory body, or through good engineering practice. Union shall be responsible for any costs incurred by Union to correct an error made by Union.

VI. MEASURING EQUIPMENT

1. Metering by Union: Union will install and operate meter and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas received or delivered hereunder is measured by a meter that is owned and operated by an upstream or downstream transporter (the "Transporter") whose facilities may or may not interconnect with Union's, then Union and Seller agree to accept that metering for the purpose of determining the volume and energy of gas received or delivered on behalf of the Seller. The standard of measurement and tests for the gas delivered to/by Union pursuant to this Article VI, Section 2 shall be in accordance with the general terms and conditions as incorporated in that Transporter's gas tariff as approved by Transporter's regulatory body.
3. Check Measuring Equipment: Seller may install, maintain and operate, at the Delivery Location, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the Delivery Location, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.
4. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Seller, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In

the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Seller, shall be borne by Seller if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.

5. Preservation of Metering Records: Union and Seller shall each preserve for a period of at least six (6) years all test data, and other relevant records.

VII. PAYMENTS

1. Monthly Payments: Union shall pay to Seller, the amount of money as calculated in Schedule "1", Article 9 (excepting set off amounts) for all gas received during the Delivery Month, on or before the twentieth (20th) Day of each Month (the "Payment Day") following the Delivery Month.
2. Operating Fee: Union shall deduct from the monies owed by Union to Seller pursuant to Schedule "1", Article 3, a fee (the "Operating Fee") for Union to recover operating and maintenance expenses of purchasing gas hereunder, for each Delivery Location. The Parties agree that the Operating Fee for each Delivery Location shall be the amount expressed in Schedule "1", Article 3.
3. Set Off: If either party shall, at any time, be in arrears under any of its payment obligations to the other party under the Agreement, then the party not in arrears shall be entitled to reduce the amount payable by it to the other party in arrears under the Agreement, or any other contract, by an amount equal to the amount of such arrears or other indebtedness to the other party. In addition to the foregoing remedy, Union may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Seller's gas under the Agreement, which shall be deemed to have been assigned to Union, to reduce such arrears or other indebtedness to Union.
4. Adverse Claim or Lien: In the event that Union, prior to making any payments herein provided for, receives notice in writing of any adverse claim to any money due hereunder or of the filing of any lien which might affect the rights of the Parties hereunder, Union shall have the right to withhold, in trust, the payment then becoming due and such other future payments as the Union, acting reasonably, estimates to be a sufficient reserve against such adverse claim or lien, in an interest bearing account, until the controversy has been settled and all adverse claims have been withdrawn with notice in writing or have been decided by a Court of competent jurisdiction in Ontario, or until Seller has supplied Union with a Letter of Credit in an amount and on conditions satisfactory to Union with respect to such claim or lien.
5. Payment Adjustments: The Parties hereby agree that any error discovered by either Party within thirty six (36) months of the date of the error, regarding billings, invoices or measurement of gas shall be corrected on the Payment Day immediately following the date on which the value of the error has been determined, unless otherwise mutually

agreed upon by both Parties. In the event that Union has underpaid Seller, Union shall pay interest thereon at the rate of the Prime Rate calculated from the date when such error occurred and compounded monthly. No interest shall be paid by Seller for any adjustments caused by said errors. Neither Party shall have any claim to an error discovered beyond thirty six (36) months from the date of such error.

6. Station and Connection Costs: In the event that a meter station must be constructed and/or installed in order to give effect to this Agreement, Seller agrees to pay Union for a portion, as determined by Union, of Union's actual cost, as hereinafter defined, for constructing and installing such station. Seller also agrees to pay the actual costs to connect such station to Union's pipeline and distribution system. Union shall advise Seller as to the need for a meter station and shall provide Seller with an estimate of the Aid to Construction. Such Aid to Construction shall include the costs of all pipe, fittings and materials, third party labour costs and Union's direct labour, labour saving devices, vehicles and mobile equipment, but shall exclude the purchase costs of gas pressure control equipment and gas meters installed by Union.

VIII. FORCE MAJEURE

- 1 Definition: The term "force majeure" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
- 2 Notice: In the event that either the Seller or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Agreement, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
- 3 Exclusions: Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Agreement, give to the other party the notice required hereunder.

- 4 Notice of Remedy: The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Agreement.
- 5 Obligation to Perform: An event of force majeure on Union's system will excuse or the failure to accept gas by Union hereunder and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
- 6 Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Seller of any payment obligations.

IX. DEFAULT AND TERMINATION

- 1 In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Agreement (but not including herein failure to take or make delivery in whole or in part of the gas delivered to/by Union hereunder occasioned by any of the reasons provided for in Article VIII herein) which has not been waived by the other party, then and in every such case and as often as the same may happen, the non-defaulting party may give written notice to the defaulting party requiring it to remedy such default and in the event of the defaulting party failing to remedy the same within a period of thirty (30) days from receipt of such notice, the non-defaulting party may at its sole option declare the Agreement to be terminated and thereupon the Agreement shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination. The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.
- 2 In the event that this Agreement is terminated pursuant to this Article IX, the parties hereto agree that they shall continue to be bound only by the terms and conditions set forth in the Agreement. Such extended period of time shall not exceed one (1) year from the date of termination of this Agreement.

X. AMENDMENT

- 1 Subject to Article XII herein and the ability of Union to amend the applicable rate schedules and price schedules, with the approval of the OEB (if required), no amendment or modification of the Agreement shall be effective unless the same shall be in writing and signed by each of the Seller and Union.

XI. NON-WAIVER AND FUTURE DEFAULT

- 1 No waiver of any provision of the Agreement shall be effective unless the same shall be in writing and signed by the party entitled to the benefit of such provision and then such waiver shall be effective only in the specific instance and for the specified purpose for which it was given. No failure on the part of Seller or Union to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy under the Agreement shall operate as a waiver thereof.

XII. LAWS, REGULATIONS AND ORDERS

- 1 The Agreement and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Agreement shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Agreement.

XIII. RENEWALS

- 1 The Agreement shall continue in full force and effect beyond the Initial Term, automatically renewing for a period of one (1) year, and every one (1) year thereafter, subject to notice in writing by either party of termination at least three (3) months prior to the expiration thereof.

XIV. SERVICE CURTAILMENT

- 1 Verbal Notice: Excepting instances of emergency, Seller and Union agree to give at least twenty-four (24) hours verbal notice before a planned curtailment of receipt or delivery, shut-down or start-up.
- 2 Emergency: Seller shall complete and maintain a plan which depicts all of the Seller's gas production facilities including all emergency shut off valves and emergency equipment and provide a copy to Union upon Union's request. Seller shall provide to Union the names and telephone numbers of those persons whom Union may contact in the event of an emergency situation arising within the Seller's facilities.
- 3 Emergency Notice: In the event that Union is notified by a third party or if Union becomes aware of an emergency situation in which Seller's gas production site, pipeline or associated equipment is involved, Union shall immediately notify Seller or Seller's representative of such emergency condition. Even though Union is not obligated to take any action to rectify the emergency, if Union undertakes any such action, Seller agrees, upon presentation of an itemized account by Union, to pay Union for all reasonable costs incurred by Union in rectifying such emergency.
- 4 Right to Modify: Union shall have the right, at all times, to reconstruct or modify Union's pipeline and distribution system and the pressure carried therein, notwithstanding that such reconstruction or modification may reduce the System Capacity available to receive Seller's gas, or Seller's ability to deliver gas to Union. Should Union expect any such reconstruction or modification to reduce the delivery or receipt of gas by either party, Union will, where able, provide Seller with six (6) months' notice or as much notice as is reasonably practical in the circumstances.

XV. SELLER'S REPRESENTATIONS AND WARRANTIES

- 1 Sellers Warranty: Seller represents and warrants to Union that Seller shall have good and marketable title to, or legal authority to deliver to Union, all gas delivered to Union hereunder. Furthermore, Seller hereby agrees to indemnify and save Union harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising

from or out of claims of any or all third parties to such gas or on account of Taxes, or other charges thereon.

- 2 License: Seller represents and warrants to Union that Seller possesses a license, if required, to produce gas in the Province of Ontario.
- 3 Subject to Seller's rights to terminate this Agreement according to Article IX herein Seller agrees to use reasonable efforts and due diligence to maintain, in good standing, each lease it has to the extent that such lease relates to this Agreement.

XVI. ASSIGNMENT

- 1 Seller may assign the Agreement to a third party ("Assignee"), up to the Maximum Daily Volume, (the "Capacity Assigned"). Such assignment shall require the prior written consent of Union and release of obligations by Union for the Capacity Assigned from the date of assignment. Such consent and release shall not be unreasonably withheld. Any such assignment will be for the full rights, obligations and remaining term of the Agreement as relates to the Capacity Assigned. Union may assign the Agreement to any party.

XVII. PRECONDITIONS TO SERVICES

- 1 Union Conditions: The obligations of Union to provide Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in the Agreement:
 - a) Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to provide the Services; and,
 - b) Union shall have obtained all internal approvals that are necessary or appropriate to provide the Services; and,
 - c) Union shall, where applicable, have completed and placed into service those facilities including the meter station as per Article V herein, necessary to provide the Services hereunder; and,
 - d) Further to Article VII, Section 6 herein, Seller shall pay to Union a payment ("First Prepayment") towards the Aid to Construction at the time of the execution of this Agreement. Seller shall pay a payment prior to installation of the meter station ("Second Prepayment"). Payments for meter stations will be handled by written mutual agreement between the parties. Seller shall pay Union the difference if the actual Aid to Construction is more than the Prepayments, within thirty (30) days of the delivery of an invoice from Union on which the actual costs for construction and installation of facilities are stated. Union shall pay Seller the difference if the actual Aid to Construction is less than the Prepayments. In the event Seller terminates this Agreement prior to Union incurring any costs related to the construction, installation or connection of the meter station, Seller's Prepayments shall be returned to Seller, without interest, within fifteen (15) days notice to Union of such termination by Seller. In the event Union has incurred costs, as set out herein, relative to the construction, installation or connection of the meter station prior to being notified by Seller of Seller's intention to terminate the Agreement, Union shall deduct such actual costs

from Union's return of Seller's Prepayments. "Prepayments" shall mean the sum of the First Prepayment and the Second Prepayment.

- 2 Seller Conditions: Seller shall have complied with all of Seller's obligations under Article V herein, including having paid all amounts pursuant to Article VII, Section 6 herein to the extent such payments are to be made prior to the Commencement Date
- 3 Satisfaction of Conditions: Union and Seller shall each use due diligence and reasonable efforts to satisfy and fulfil the conditions precedent specified in this Article XVII Section 1 a, b, c, and d and Article XVII Section 2. Each party shall notify the other forthwith in writing of the satisfaction or waiver of each condition precedent for such party's benefit. If a party concludes that it will not be able to satisfy a condition precedent that is for its benefit, such party may, upon written notice to the other party, terminate the Agreement and upon the giving of such notice, the Agreement shall be of no further force and effect and each of the parties shall be released from all further obligations thereunder.
- 4 Non-Satisfaction of Conditions: If any of the conditions precedent in this Article XVII are not satisfied or waived by the party entitled to the benefit of that condition, then Union may, upon written notice to the other party, terminate the Agreement and upon the giving of such notice, the Agreement shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder, provided that any rights or remedies that a party may have for breaches of the Agreement prior to such termination and any liability a party may have incurred before such termination shall not thereby be released.

SCHEDULE "3" -FIELD LINE CUSTOMER AGREEMENT

THIS AGREEMENT made this 1st day of September, 2017:

BETWEEN:

METALORE RESOURCES LIMITED a Corporation existing under the laws of the Province of Ontario

hereinafter called "Seller"

OF THE FIRST PART

-and-

UNION GAS LIMITED, a body corporate, incorporated under the laws of the Province of Ontario, having its registered office in the Municipality of Chatham-Kent, Province of Ontario.

hereinafter called "Buyer"

OF THE SECOND PART

WHEREAS by a Gas Purchase Agreement covering the Delivery Location #1 dated September 1, 2017 between Metalore Resources Limited and Union Gas Limited as amended to date ("Gas Purchase Agreement"), Seller agreed to sell and deliver to Buyer and Buyer agreed to purchase and receive from Seller, gas produced by Seller;

AND WHEREAS a portion of the Gas purchased under the Gas Purchase Agreement is delivered to Buyer for resale to certain natural gas customers ("Field Line Customers") which are connected to Seller's pipeline;

AND WHEREAS Seller and Buyer desire to make provision for the orderly distribution of Gas from Seller's system to Buyer's Field Line Customers;

AND WHEREAS Seller and Buyer mutually agree that the constant supply of natural gas is necessary to Buyer's Field Line Customers;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements hereinafter provided, the Parties hereto each covenant and agree with the other as follows;

ARTICLE I- DEFINITIONS

- 1.01 "Field Line Delivery Points" means the inlet valve immediately upstream of each of the meters installed by Buyer at the locations specified in the Appendix attached hereto;
- 1.02 "Gas" means natural gas of the quality specified in Article II of Schedule "A", Gas Purchase Agreement, General Terms & Conditions;
- 1.03 "Said Wells" means the wells now completed and any other producing wells hereafter completed on the Seller's lands.

ARTICLE II- SALE OF GAS

- 2.01 Seller agrees to sell and deliver to Buyer and Buyer agrees to purchase and receive from Seller, through the meters installed by Buyer at the Field Line Delivery Points specified in the Appendix attached hereto, gas produced by Seller from the Said Wells for immediate resale to Field Line Customers.
- 2.02 Seller agrees to continue to supply Gas to Field Line Customers as long as there is sufficient Gas in Seller's Gas supply pool to meet the Gas Supply needs of Field Line Customers or until such time as Seller and Buyer mutually agree in writing that Seller shall discontinue the supply of Gas to these customers.

ARTICLE III- VOLUMES TO BE PURCHASED

- 3.01 The volume of Gas, delivered and purchased hereunder at each of the Field Line Delivery Points shall be equal to the specific requirements of Buyer's Field Line Customers.

ARTICLE IV- PRICE

- 4.01 The price paid by Buyer to Seller for volumes purchased under this Field Line Customer Agreement shall be governed by Article III – Price and Schedule 1, Article 9 of the Gas Purchase Agreement to which this Field Line Customer Agreement is appended, plus Buyer's balancing and transportation charge plus Buyer's applicable average cost of service for regular rate customers.
- 4.02 The Price paid shall be subject to any orders, rules and regulations of any entity having jurisdiction over such Price, or the calculation of such Price, now or hereinafter if effect during the term of this Agreement.
- 4.03 With respect to the Buyer's cost of service allowed by the Ontario Energy Board ("OEB"), in the event that the OEB disallows from Buyers' cost of service all or any part of the Price as set out herein, Buyer shall be obligated to pay only such Price as allowed in the Buyer's cost of service by the OEB.

ARTICLE V- QUALITY

- 5.01 Seller shall make best efforts to ensure that the quality of the Gas delivered to each Field Line Delivery Point shall meet the quality of the Gas delivered by Seller to Buyer in Article II of Schedule "A", Gas Purchase Agreement, General Terms & Conditions.
- 5.02 Buyer shall not be responsible for any claims or actions brought by Field Line Customers resulting from Gas that does not meet the quality standards set out herein. Seller agrees to indemnify, and save harmless, Buyer from and against all claims, demands, costs, suits, actions, loss, damage, expense or injury, including death, of any nature or kind whatsoever, resulting from, caused by or in any manner connected with the quality of Gas sold by Seller for delivery to the Field Line Customers.

ARTICLE VI- GAS DISTRIBUTION SYSTEM

- 6.01 Seller and Buyer agree that Buyer, in its sole discretion, shall determine the location of Seller's Field Line Delivery Points.
- 6.02 Seller shall supply at Seller's cost, all of the material required and shall construct, operate and maintain the pipeline(s) required to carry the natural gas from the Said Wells to the Field Line Delivery Points.
- 6.03 Buyer shall supply at its cost all of the material required and shall construct, operate and maintain the metering and regulating equipment required downstream from the Field Line Delivery Points.

ARTICLE VII - ODOURIZING

- 7.01 Seller shall furnish Buyer with the location of the Said Wells as will enable Buyer to determine the appropriate location or locations on Seller's system for the installation of odourizing equipment required to fulfil Buyer's obligations under Section 7.02 hereof Seller will notify Buyer forthwith of any anticipated additions/deletions in the number of Said Wells.
- 7.02 Where necessary, Buyer shall furnish, install and operate, suitable odourizing equipment, to satisfy the current applicable government code.
- 7.03 Buyer shall have the right to install odourizing equipment on Seller's system delivery points or locations selected by Buyer from time to time after consultation with Seller. Seller shall provide a suitable site for the installation by Buyer of the required odourization equipment.

ARTICLE VIII- FIELD LINE CUSTOMERS

- 8.01 Except in the case of an emergency, Seller shall not interrupt the supply of Gas to Field Line Customers. Seller shall notify Buyer immediately of any interruption or anticipated interruption of supply to Field Line Customers.
- 8.02 Buyer and Seller agree that no additional Field Line Customers will be added to Seller's field

lines unless the parties mutually agree otherwise.

8.03 Buyer and Seller agree that when the Gas meter(s) at a Field Line Delivery Point becomes inactive for a period of twelve (12) continuous months, such inactive Field Line Delivery Point shall, at Buyer's option, be terminated by Buyer and dismantled by Buyer and Seller shall subsequently deactivate all service lines serving the Field Line Customers. In this event Buyer shall amend the Field Line Delivery Points accordingly.

ARTICLE IX- MISCELLANEOUS

9.01 The Parties hereto agree that all of the terms and conditions of the Gas Purchase Agreement specified herein that are required to give meaning and effect to the Field Line Customer Agreement shall apply and shall continue to apply to this Field Line Customer Agreement, even if the Gas Purchase Agreement specified herein is terminated. When interpreting the Field Line Customer Agreement, in the event of conflict between the terms and conditions of the Field Line Customer Agreement and the Gas Purchase Agreement, the terms and conditions of the Field Line Customer Agreement shall apply.

9.02 Nothing herein contained shall be construed as creating a partnership of any kind, joint venture or association or imposing upon any party hereto any partnership duty, obligation or liability to any party hereto.

9.03 The parties hereto agree that this Agreement is made in the Province of Ontario and that the Courts of the Province of Ontario shall have exclusive jurisdiction in all matters contained herein. The parties further agree that this Agreement shall be construed exclusively in accordance with the laws of the province of Ontario.

9.04 This Agreement shall be binding upon, and shall enure to the benefit of the parties hereto and their respective successors and lawful assigns.

9.05 This Agreement shall be subject to any applicable laws, taxes, orders, rules and regulations of any governmental authority having jurisdiction therein, now or hereafter in effect during the term of this Agreement.

9.06 This Agreement, along with the Gas Purchase Agreement, in its entirety, including Schedules 1, 2, 3 & A, shall embody the entire Agreement of the Parties hereto with regard to the matters dealt with herein, and no understandings or agreements, verbal or otherwise, shall exist between the Parties except as herein expressly set out.

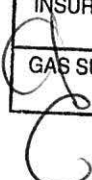
IN WITNESS WHEREOF the parties hereto have hereunto affixed their corporate seals, as attested by the hands of their proper officials duly authorized in that behalf, as of the day and year first above written.

UNION GAS LIMITED

Per:  _____

Director, Gas Supply & Customer Support

APPROVED FOR EXECUTION
LEGAL ✓
FINANCE
TAX
CREDIT
INSURANCE
GAS SUPPLY



METALORE RESOURCES LIMITED

Per:  _____

Authorized Signatory

APPENDIX - FIELD LINE DELIVERY POINTS

To the Gas Purchase Agreement dated the 1st of September, 2017 between Metalore Resources Limited and Union Gas Limited.

Seller's Field Line Delivery Points in the Township of Delhi, in the County of Norfolk.

FIELD LINE DELIVERY POINTS

	ADDRESS
1.	597 CHARLOTTEVILLE RD 1
2.	608 CHARLOTTEVILLE RD 1
3.	652 CHARLOTTEVILLE RD 1
4.	652 CHARLOTTEVILLE RD 1
5.	681 CHARLOTTEVILLE RD 1
6.	735 CHARLOTTEVILLE RD 1
7.	740 CHARLOTTEVILLE RD 1
8.	826 CHARLOTTEVILLE RD 2
9.	373 CHARLOTTEVILLE RD 5
10.	529 CHARLOTTEVILLE RD 5
11.	599 CHARLOTTEVILLE RD 5
12.	686 CHARLOTTEVILLE RD 5
13.	699 CHARLOTTEVILLE RD 5
14.	740 CHARLOTTEVILLE RD 5
15.	761 CHARLOTTEVILLE RD 5
16.	770 CHARLOTTEVILLE RD 5
17.	843 CHARLOTTEVILLE RD 5
18.	849 CHARLOTTEVILLE RD 5
19.	855 CHARLOTTEVILLE RD 5
20.	899 CHARLOTTEVILLE RD 5
21.	1027 CHARLOTTEVILLE RD 5
22.	1028 CHARLOTTEVILLE RD 5
23.	1043 CHARLOTTEVILLE RD 5
24.	1049 CHARLOTTEVILLE RD 5
25.	1070 CHARLOTTEVILLE RD 5
26.	563 CHARLOTTEVILLE RD 7
27.	884 CHARLOTTEVILLE RD 7
28.	375 CHARLOTTEVILLE RD 8
29.	589 CHARLOTTEVILLE RD 8
30.	975 CHARLOTTEVILLE RD 8
31.	1057 CHARLOTTEVILLE RD 8
32.	1080 CHARLOTTEVILLE RD 8
33.	1199 CHARLOTTEVILLE RD 8
34.	1217 CHARLOTTEVILLE RD 8
35.	1271 CHARLOTTEVILLE RD 8
36.	1327 CHARLOTTEVILLE RD 8

	ADDRESS
37.	1315 CHARLOTTEVILLE RD 8
38.	1321 CHARLOTTEVILLE RD 8
39.	831 CHARLOTTEVILLE RD W QUA
40.	1511 CHARLOTTEVILLE RD W QUA
41.	959 COUNTY HWY 24
42.	393 FISHERS GLEN RD
43.	439 FISHERS GLEN RD
44.	1397 FRONT RD
45.	1454 FRONT RD
46.	1621 FRONT RD
47.	1709 FRONT RD
48.	1761 FRONT RD
49.	DEVELOPMENTS FRONT RD
50.	622 HWY 24
51.	160 KENDAL RD
52.	167 KENDAL RD
53.	179 KENDAL RD
54.	748 MCDOWELL RD
55.	617 MCDOWELL
56.	634 MCDOWELL
57.	654 MCDOWELL
58.	727 MCDOWELL
59.	594 MCDOWELL RD
60.	1181 NORFOLK CTY HWY 24
61.	1199 NORFOLK CTY HWY 24
62.	1202 NORFOLK CTY HWY 24
63.	626 NORFOLK CTY HWY 24
64.	708 NORFOLK CTY HWY 24
65.	781 NORFOLK CTY HWY 24
66.	806 NORFOLK CTY HWY 24
67.	958 NORFOLK CTY HWY 24
68.	1020 NORFOLK CTY HWY 24
69.	1030 NORFOLK CTY HWY 24
70.	1041 NORFOLK CTY HWY 24
71.	1060 NORFOLK CTY HWY 24
72.	1063 NORFOLK CTY HWY 24
73.	1067 NORFOLK CTY HWY 24
74.	1079 NORFOLK CTY HWY 24
75.	1148 NORFOLK CTY HWY 24
76.	1154 NORFOLK CTY HWY 24
77.	1159 NORFOLK CTY HWY 24
78.	643 ST JOHN'S RD
79.	723 ST JOHN'S RD
80.	867 ST JOHN'S RD
81.	883 ST JOHN'S RD
82.	50 SZUCS RD

	ADDRESS
83.	97 SZUCS RD
84.	169 SZUCS RD
85.	169 SZUCS RD
86.	559 TURKEY POINT RD
87.	761 TURKEY POINT RD
88.	789 TURKEY POINT RD
89.	801 TURKEY POINT RD
90.	805 TURKEY POINT RD
91.	811 TURKEY POINT RD
92.	823 TURKEY POINT RD
93.	891 TURKEY POINT RD
94.	1412 TURKEY POINT RD
95.	1416 TURKEY POINT RD
96.	1424 TURKEY POINT RD
97.	1475 TURKEY POINT RD
98.	1479 TURKEY POINT RD
99.	1553 TURKEY POINT RD
100.	1587 TURKEY POINT RD
101.	1621 TURKEY POINT RD
102.	1623 TURKEY POINT RD
103.	1626 TURKEY POINT RD
104.	1670 TURKEY POINT RD
105.	417 VITTORIA RD
106.	520 VITTORIA RD
107.	532 VITTORIA RD
108.	615 VITTORIA RD
109.	654 VITTORIA RD
110.	692 VITTORIA RD
111.	736 VITTORIA RD
112.	782 VITTORIA RD
113.	783 VITTORIA RD
114.	852 VITTORIA RD
115.	899 VITTORIA RD
116.	903 VITTORIA RD
117.	909 VITTORIA RD
118.	939 VITTORIA RD
119.	961 VITTORIA RD
120.	971 VITTORIA RD
121.	1027 VITTORIA RD
122.	1098 VITTORIA RD
123.	1141 VITTORIA RD
124.	1181 VITTORIA RD
125.	1181 VITTORIA RD
126.	1265 VITTORIA RD
127.	1335 VITTORIA RD
128.	1335 VITTORIA RD

	ADDRESS
129.	1375 VITTORIA RD
130.	1387 VITTORIA RD
131.	1398 VITTORIA RD
132.	1411 VITTORIA RD
133.	1441 VITTORIA RD
134.	130 YUELL RD